

Beaufort West

MUNICIPALITY



[These financial statements have been audited]

FINANCIAL STATEMENTS

30 JUNE 2015

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution (Act no 105 of 1996).

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998).

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West

Nelspoort

Merweville

Murraysburg

MUNICIPAL MANAGER

Mr. J. Booyens

CHIEF FINANCIAL OFFICER

Mr. F. Sabbat

REGISTERED OFFICE

112 Donkin Street

BEAUFORT WEST

6970

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

Nedbank, Beaufort West

ATTORNEYS

Crawford Attorneys, Beaufort West

Van Niekerk Attorneys, Beaufort West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004)

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Remuneration of Public Office Bearers Act (Act no 20 of 1998)

Supply Chain Management Regulations, 2005

Collective Agreements

Infrastructure Grants

SALBC Leave Regulations

BEAUFORT WEST LOCAL MUNICIPALITY

MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	L Deyse
2	A.M. Slabbert
3	G. de Vos
4	S.M. Motsoane
5	M. Furmen
6	G.P. Adolph
7	J. Bostander
Proportional	E.A.J. Beyers
Proportional	G.T. Murray
Proportional	T. Prince
Proportional	R. van der Linde
Proportional	D.E. Welgemoed
Proportional	A.D. Willemse

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2015, which are set out on pages 1 to 134 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


Mr. J. Booyse
Municipal Manager

31 August 2015
Date

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	2015 R (Actual)	2014 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		435 119 174	351 758 096
Capital Replacement Reserve	2	10 491 152	4 849 606
Housing Development Fund	2	4 062 271	4 198 159
Self Insurance Reserve	2	1 196 864	1 118 685
Accumulated Surplus		419 368 887	341 591 646
Non-Current Liabilities		44 437 765	46 160 825
Long-term Liabilities	3	11 546 769	14 602 574
Employee benefits	4	27 689 312	25 882 098
Non-Current Provisions	5	5 201 683	5 676 153
Current Liabilities		57 049 643	46 033 645
Consumer Deposits	6	1 227 349	1 138 815
Current Employee benefits	7	7 979 706	7 509 143
Provisions - current portion	8	4 399 815	-
Payables From Exchange Transactions	9	32 891 608	26 634 801
Unspent Conditional Government Grants and Receipts	10	4 709 333	7 135 563
Unspent Public Contributions	11	145 955	139 052
Cash and Cash Equivalents	23	1 932 245	-
Current Portion of Long-term Liabilities	3	3 763 632	3 476 271
Total Net Assets and Liabilities		536 606 582	443 952 566
ASSETS			
Non-Current Assets		469 733 950	394 523 569
Property, Plant and Equipment	13	452 172 824	375 041 608
Investment Property	14	8 381 248	8 647 603
Intangible Assets	15	316 106	268 770
Capitalised Restoration Cost	16	1 903 294	1 664 002
Heritage Assets	17	5 225 000	5 225 000
Long-Term Receivables	18	1 735 478	3 676 587
Current Assets		66 872 632	49 428 997
Inventory	19	2 991 660	2 791 450
Trade Receivables from exchange transactions	20	25 389 148	19 352 591
Other Receivables from non-exchange transactions	21	15 370 233	10 735 419
Unpaid Conditional Government Grants and Receipts	10	1 614 319	670 378
Operating Lease Asset	22.1	14 196	10 008
Taxes	12	6 444 459	3 932 014
Cash and Cash Equivalents	23	15 048 617	11 937 136
Total Assets		536 606 582	443 952 566

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 (Actual) R	2014 (Restated) R	Correction of error R	2014 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		237 283 204	163 499 160	(3)	163 499 163
Taxation Revenue		24 583 024	22 792 230	-	22 792 230
Property taxes	24	24 583 024	22 792 230	-	22 792 230
Transfer Revenue		166 731 201	99 629 979	(3)	99 629 982
Government Grants and Subsidies - Capital	25	37 652 483	21 348 285	1	21 348 284
Government Grants and Subsidies - Operating	25	76 782 411	77 918 756	(4)	77 918 760
Contributed PPE		52 296 307	362 938	-	362 938
Other Revenue		45 968 979	41 076 951	-	41 076 951
Actuarial Gains	4	-	203 285	-	203 285
Fines		45 968 979	40 873 666	-	40 873 666
Gain on disposal of PPE		-	-	-	-
Revenue from Exchange Transactions		104 938 766	95 627 358	3	95 627 355
Property Rates - penalties imposed and collection charges		473 809	399 873	-	399 873
Service Charges	26	88 399 264	85 099 374	1	85 099 373
Rental of Facilities and Equipment		1 677 585	814 984	-	814 984
Interest Earned - external investments		1 892 682	1 011 727	-	1 011 727
Interest Earned - outstanding debtors		1 968 539	1 858 351	-	1 858 351
Licences and Permits		538 676	545 598	-	545 598
Agency Services		609 253	541 057	-	541 057
Other Income	27	9 378 958	5 356 394	2	5 356 392
Total Revenue		342 221 970	259 126 518	-	259 126 518
EXPENDITURE					
Employee related costs	28	73 425 608	67 877 608	(36 251)	67 913 859
Remuneration of Councillors	29	4 355 922	3 893 736	-	3 893 736
Debt Impairment	30	40 121 041	27 217 301	-	27 217 301
Collection Cost		444 454	652 890	-	652 890
Depreciation and Amortisation	31	15 044 193	14 024 906	(5 177)	14 030 083
Impairments	32	3 170 956	10 994 382	-	10 994 382
Repairs and Maintenance	33	18 143 202	17 408 268	-	17 408 268
Actuarial losses	4	216 003	1 882 459	-	1 882 459
Finance Charges	34	4 453 389	4 086 726	-	4 086 726
Bulk Purchases	35	43 358 262	39 066 285	-	39 066 285
Contracted services	36	7 999 251	11 539 821	-	11 539 821
Grants and Subsidies Paid	37	64 452	60 000	-	60 000
Stock Adjustments	35	6 556 224	7 323 581	-	7 323 581
Other Operating Grant Expenditure		676 407	-	-	-
Loss on disposal of PPE		841 434	230 285	62 286	167 999
General Expenses	38	39 990 111	48 032 826	36 251	47 996 575
Total Expenditure		258 860 909	254 291 074	57 109	254 233 965
Operating Surplus for the Year		83 361 061	4 835 444	(57 109)	4 892 553
Loss on disposal of Property,Plant and Equipment/Investment Property		-	-	-	-
Gain on disposal of Property, Plant & Equipment/Investment Property		-	-	-	-
Fair Value Adjustments	0	-	-	-	-
NET SURPLUS FOR THE YEAR		83 361 061	4 835 444	(57 109)	4 892 553

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 July 2013	1 035 337	4 170 185	4 546 564	331 487 805	341 239 891
Correction of error - See Note 39.02	-	-	-	5 682 737	5 682 737
Restated Balance at 1 July 2013	1 035 337	4 170 185	4 546 564	337 170 541	346 922 627
Net Surplus/(Deficit) for the year	-	-	-	4 892 553	4 892 553
Correction of error - See Note 39.01	-	-	-	(57 110)	(57 110)
Contribution to Insurance Reserve	273 445	-	-	(273 445)	-
Insurance claims processed	(190 097)	-	-	190 097	-
Transfer to CRR	-	-	4 718 623	(4 718 623)	-
Property, Plant and Equipment purchased	-	-	(4 415 581)	4 415 581	-
Transfer to Housing Development Fund	-	27 974	-	(27 974)	-
Rounding	-	-	-	26	26
Balance at 30 JUNE 2014	1 118 685	4 198 159	4 849 606	341 591 646	351 758 096
Restated Balance at 1 July 2014	1 118 685	4 198 159	4 849 606	341 591 646	351 758 096
Net Surplus/(Deficit) for the year	-	-	-	83 361 061	83 361 061
Transfer to CRR	-	-	7 699 667	(7 699 667)	-
Property, Plant and Equipment purchased	-	-	(2 058 121)	2 058 121	-
Contribution to Insurance Reserve	367 738	-	-	(367 738)	-
Insurance claims processed	(289 559)	-	-	289 559	-
Transfer to Housing Development Fund	-	(135 888)	-	135 888	-
Rounding	-	-	-	18	18
Balance at 30 June 2015	1 196 864	4 062 271	10 491 152	419 368 887	435 119 174

BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		115 850 810	119 381 830
Government		118 123 555	103 330 957
Interest		3 861 221	2 870 078
Payments			
Suppliers and employees		(191 033 368)	(195 820 048)
Finance charges	34	(4 453 389)	(4 086 726)
Transfers and Grants		(64 452)	(60 000)
Net Cash from Operating Activities	40	42 284 378	25 616 091
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(40 355 974)	(30 263 543)
Proceeds on Disposal of Fixed Assets		222 377	-
Purchase of Intangible Assets		(144 224)	(24 809)
(Increase)/Decrease in Long-term Receivables		1 941 109	(2 055 080)
Net Cash from Investing Activities		(38 336 712)	(32 343 433)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		789 592	4 092 471
New loans (repaid)		(3 558 036)	(3 525 696)
Rounding		13	24
Net Cash from Financing Activities		(2 768 430)	566 799
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		1 179 236	(6 160 543)
Cash and Cash Equivalents at the beginning of the year		11 937 136	18 097 679
Cash and Cash Equivalents at the end of the year	41	13 116 372	11 937 136
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1 179 236	(6 160 543)

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

ASSETS	2015	2015	2015	Explanations for material variances
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
Current assets				
Cash	12 230	762 070	(749 840)	
Call investment deposits	15 036 387	2 847 676	12 188 711	Additional grants received and CRR contributions
Consumer debtors	25 389 148	32 252 587	(6 863 439)	Increase in provision for bad debts
Other Receivables	23 443 207	4 500 000	18 943 207	Additional debtors due to implementing IGRAP1 for traffic fines
Inventory	2 991 660	3 400 000	(408 340)	Decrease in stock
Total current assets	66 872 632	43 762 333	23 110 299	
Non current assets				
Long-term receivables	1 735 478	3 676 587	(1 941 109)	Decrease in debtor arrangements
Investment property	8 381 248	8 336 455	44 793	
Property, plant and equipment	459 301 118	402 581 700	56 719 418	Contributed assets (Youth Hub)
Intangible Assets	316 106	150 116	165 990	Less expenses than budgeted for
Other non-current assets	-	2 970 644	(2 970 644)	
Total non current assets	469 733 950	417 715 502	52 018 448	
TOTAL ASSETS	536 606 582	461 477 835	75 128 747	
LIABILITIES				
Current liabilities				
Bank overdraft	1 932 245	-	1 932 245	Cash flow problems and increase in payables
Borrowing	3 763 632	3 476 271	287 361	Finance Lease vehicles
Consumer deposits	1 227 349	1 284 000	(56 651)	
Trade and other payables	37 746 896	20 315 510	17 431 386	Increase in payables
Provisions and Employee Benefits	12 379 521	10 533 847	1 845 674	Difference due to changes to actuarial calculations
Total current liabilities	57 049 643	35 609 628	21 440 015	
Non current liabilities				
Borrowing	11 546 769	20 059 350	(8 512 581)	Decrease in outstanding long-term liabilities
Provisions and Employee Benefits	32 890 995	29 735 320	3 155 675	Difference due to changes to actuarial calculations
Total non current liabilities	44 437 765	49 794 670	(5 356 905)	
TOTAL LIABILITIES	101 487 407	85 404 298	16 083 109	
NET ASSETS	435 119 174	376 073 537	59 045 637	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	419 368 887	365 467 085	53 901 802	Contributed assets and land recognised for the first time
Reserves	15 750 287	10 606 452	5 143 835	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	435 119 174	376 073 537	59 045 637	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET

	2015	2015	2015	
	R	R	R	
	(Approved Budget)	(Adjustments)	(Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	952 330	(190 260)	762 070	Decrease in available cash
Call investment deposits	4 782 529	(1 934 853)	2 847 676	Decrease in available cash
Consumer debtors	29 617 309	2 635 278	32 252 587	Decrease in payment percentage
Other Receivables	4 500 000	-	4 500 000	
Inventory	3 400 000	-	3 400 000	
Total current assets	43 252 168	510 165	43 762 333	
Non current assets				
Long-term receivables	1 150 000	2 526 587	3 676 587	Expected increase in arrangements with debtors
Investment property	9 057 783	(721 328)	8 336 455	
Property, plant and equipment	399 241 723	3 339 977	402 581 700	Hold on capital expenditure
Intangible Assets	142 059	8 057	150 116	New software to be purchased
Other non-current assets	-	2 970 644	2 970 644	
Total non current assets	409 591 565	8 123 937	417 715 502	
TOTAL ASSETS	452 843 733	8 634 102	461 477 835	
LIABILITIES				
Current liabilities				
Borrowing	2 611 000	865 271	3 476 271	New finance leases to be raised
Consumer deposits	1 284 000	-	1 284 000	
Trade and other payables	26 674 998	(6 359 488)	20 315 510	Cut back on expenditure
Provisions and Employee Benefits	10 533 847	-	10 533 847	Post employee benefits and landfill sites
Total current liabilities	41 103 845	(5 494 217)	35 609 628	
Non current liabilities				
Borrowing	17 319 513	2 739 837	20 059 350	New finance leases to be raised
Provisions and Employee Benefits	29 735 320	-	29 735 320	
Total non current liabilities	47 054 833	2 739 837	49 794 670	
TOTAL LIABILITIES	88 158 678	(2 754 380)	85 404 298	
NET ASSETS	364 685 055	11 388 482	376 073 537	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	356 367 202	9 099 883	365 467 085	Net of all reasons
Reserves	8 317 853	2 288 599	10 606 452	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	364 685 055	11 388 482	376 073 537	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	24 583 024	24 363 900	219 124	Due to implementation of interim valuation
Property rates - penalties & collection charges	473 809	620 000	(146 191)	Increase in payment percentage
Service charges	88 399 264	96 565 694	(8 166 430)	Less income received than anticipated
Rental of facilities and equipment	1 677 585	854 226	823 359	More rentals received than anticipated
Interest earned - external investments	1 892 682	1 060 000	832 682	More cash available to be invested
Interest earned - outstanding debtors	1 968 539	1 796 000	172 539	Decrease in apyment percentage
Fines	45 968 979	39 959 650	6 009 329	Due to implementation of IGRAP1 on traffic fines
Licences and permits	538 676	648 150	(109 474)	Less revenue received than anticipated
Agency services	609 253	580 000	29 253	Not material
Government Grants and Subsidies - Operating	76 782 411	85 354 718	(8 572 307)	Less grants received than anticipated
Other revenue	61 675 265	3 363 571	58 311 694	Contributed assets (Youth Hub)
Gains on disposal of PPE	-	-	-	Insurance claims received on damaged and lost assets
Total Operating Revenue	304 569 487	255 165 909	49 403 578	
EXPENDITURE BY TYPE				
Employee related costs	73 425 608	72 299 765	1 125 843	Not material
Remuneration of councillors	4 355 922	4 448 975	(93 053)	Not material
Debt impairment	40 121 041	26 840 000	13 281 041	Due to implementation of IGRAP1 on traffic fines
Depreciation & asset impairment	15 044 193	15 080 784	(36 591)	Not material
Finance charges	4 453 389	2 115 747	2 337 642	Additional interest on non-current provisions and employee benefits
Bulk purchases	49 914 486	51 524 000	(1 609 514)	Decrease due to load shedding
Other materials	18 143 202	21 506 732	(3 363 530)	Less repaires due to cash flow
Contracted services	7 999 251	8 135 132	(135 881)	Not material
Grants and subsidies paid	64 452	60 000	4 452	Not material
Impairments	3 170 956	-	3 170 956	Impairment on landfill sites due to new information available
Other expenditure	41 326 975	62 469 552	(21 142 577)	Less expenditure due to cash flow
Loss on disposal of PPE	841 434	-	841 434	Assets sold below their carrying value
Total Operating Expenditure	258 860 909	264 480 687	(5 619 778)	
Operating Surplus/(Deficit) for the year	45 708 578	(9 314 778)	55 023 356	
Government Grants and Subsidies - Capital	37 652 483	39 255 844	(1 603 361)	Less capital grants received and expensed than anticipated
Net Surplus for the year	83 361 061	29 941 066	53 419 995	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	24 363 900	-	24 363 900	
Property rates - penalties & collection charges	620 000	-	620 000	
Service charges	97 492 438	(926 744)	96 565 694	Decrease foreseen due to load shedding
Rental of facilities and equipment	845 026	9 200	854 226	Not material
Interest earned - external investments	1 060 000	-	1 060 000	
Interest earned - outstanding debtors	1 716 000	80 000	1 796 000	Not material
Fines	16 119 650	23 840 000	39 959 650	Due to implementation of IGRAP1 on traffic fines
Licences and permits	648 050	100	648 150	Not material
Agency services	520 000	60 000	580 000	Not material
Government Grants and Subsidies - Operating	83 795 800	1 558 918	85 354 718	Additional grants received
Other revenue	4 943 921	(1 580 350)	3 363 571	Expected decrease in other revenue
Total Operating Revenue	232 124 785	23 041 124	255 165 909	
EXPENDITURE BY TYPE				
Employee related costs	74 294 530	(1 994 765)	72 299 765	Vacant positions not filled
Remuneration of councillors	4 448 975	-	4 448 975	
Debt impairment	3 000 000	23 840 000	26 840 000	Due to implementation of IGRAP1 on traffic fines
Depreciation & asset impairment	15 080 784	-	15 080 784	
Finance charges	1 940 356	175 391	2 115 747	New finance leases to be raised
Bulk purchases	53 844 000	(2 320 000)	51 524 000	Decrease expected due to load shedding
Other materials	21 052 540	454 192	21 506 732	Additional grants received
Contracted services	7 907 040	228 092	8 135 132	Additional grants received
Grants and subsidies paid	60 000	-	60 000	
Other expenditure	64 016 000	(1 546 448)	62 469 552	Expected decrease in other expenditure due to cut back on expenditure
Total Operating Expenditure	245 644 225	18 836 462	264 480 687	
Operating Surplus/(Deficit) for the year	(13 519 440)	4 204 662	(9 314 778)	
Government Grants and Subsidies - Capital	23 038 200	16 217 644	39 255 844	Additional grants received
Net Surplus for the year	9 518 760	20 422 306	29 941 066	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2015	2015	2015	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	115 850 810	137 495 616	(21 644 806)	Decrease in services sold
Government - operating	80 471 072	84 386 923	(3 915 851)	Less grants received than anticipated
Government - capital	37 652 483	34 159 382	3 493 101	More grants received than anticipated
Interest	3 861 221	2 856 000	1 005 221	Increase in cash available for investments
Payments				
Suppliers and Employees	(191 033 368)	(221 230 656)	30 197 288	Vacant posts not filled and cut back on expenditure
Finance charges	(4 453 389)	(2 115 747)	(2 337 642)	Additional interest on non-current provisions and employee benefits
Transfers and Grants	(64 452)	(60 000)	(4 452)	Not material
NET CASH FROM/(USED) OPERATING ACTIVITIES	42 284 378	35 491 518	6 792 860	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	222 377	-	222 377	
Decrease/(increase) in non-current receivables	1 941 109	471 507	1 469 602	Increase in debtor arrangements
Decrease/(increase) in non-current debtors	-	-	-	
Payments				
Capital assets	(40 500 198)	(43 899 344)	3 399 146	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(38 336 712)	(43 427 837)	5 091 125	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	789 592	2 460 000	(1 670 408)	Decrease in financial leases
Increase/(decrease) in consumer deposits	-	84 000	(84 000)	
Payments				
Repayment of borrowing	(3 558 036)	(2 935 071)	(622 965)	More finance lease vehicles returned
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 768 443)	(391 071)	-2 377 372	
NET INCREASE/(DECREASE) IN CASH HELD	1 179 223	(8 327 390)	9 506 613	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	11 937 136	11 937 136	-	
Cash and Cash Equivalents at the end of the year	13 116 372	3 609 746	9 506 626	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	143 686 419	(6 190 803)	137 495 616	Decrease in services sold
Government - operating	83 795 800	591 123	84 386 923	Additional grants received
Government - capital	23 038 200	11 121 182	34 159 382	Additional grants received
Interest	1 060 000	1 796 000	2 856 000	More cash available to invest
Payments				
Suppliers and Employees	(219 294 729)	(1 935 927)	(221 230 656)	Additional grants received
Finance charges	(1 940 356)	(175 391)	(2 115 747)	Additional interest on non-current provisions and employee benefits
Transfers and Grants	(60 000)	-	(60 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	30 285 334	5 206 184	35 491 518	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease/(increase) in non-current receivables	471 507	-	471 507	
Payments				
Capital assets	(29 286 134)	(14 613 210)	(43 899 344)	Additional grants received
NET CASH FROM/(USED) INVESTING ACTIVITIES	(28 814 627)	(14 613 210)	(43 427 837)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	2 460 000	-	2 460 000	
Increase/(decrease) in consumer deposits	84 000	-	84 000	
Payments				
Repayment of borrowing	(2 935 071)	-	(2 935 071)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(391 071)	-	(391 071)	
NET INCREASE/(DECREASE) IN CASH HELD	1 079 636	(9 407 026)	(8 327 390)	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	4 655 223	7 281 913	11 937 136	
Cash and Cash Equivalents at the end of the year	5 734 859	(2 125 113)	3 609 746	
	=====	=====	=====	

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BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act no 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of Comparison of Budget and Actual Amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts, i.e. 1 July 2014 to 30 June 2015. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Standard	Description	Effective Date
Directive 11	<p>Changes in Measurement Bases following Initial Adoption of Standards of GRAP</p> <p>This Directive can be applied when a Municipality elects to change the measurement bases selected for certain assets on the initial adoption of Standards of GRAP.</p> <p>No significant impact is expected as the Municipality has no intention of changing its measurement bases.</p>	1 April 2015
GRAP 18 (Original – Feb 2011)	<p>Segment Reporting</p> <p>The objective of this Standard is to establish principles for reporting financial information by segments.</p> <p>No significant impact is expected as information to a large extent is already included in the appendices to the financial statements which do not form part of the audited financial statements.</p>	1 April 2015
GRAP 20 (Original – June 2011)	<p>Related Party Disclosure</p> <p>The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	Unknown
GRAP 32 (Original – Aug 2013)	<p>Service Concession Arrangements: Grantor</p> <p>The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 105 (Original – Nov 2010)	<p>Transfer of Functions Between Entities Under Common Control</p> <p>The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	1 April 2015

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GRAP 106 (Original – Nov 2010)	Transfer of Functions Between Entities Not Under Common Control The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 107 (Original – Nov 2010)	Mergers The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger. No significant impact expected as no such transactions or events are expected in the foreseeable future.	1 April 2015
GRAP 108 (Original – Sept 2013)	Statutory Receivables The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables. The Municipality has revolved to adopt the principles as set out in GRAP 108 to formulate its own accounting policy.	Unknown
IGRAP 11	Consolidation - Special Purpose Entities (SPE) The objective of this Interpretation of the Standard is to prescribe under what circumstances an entity should consolidate a SPE. No significant impact is expected as the Municipality does not have any SPE's at this stage.	1 April 2015
IGRAP 12	Jointly Controlled Entities non-monetary contributions The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE). No significant impact is expected as the Municipality does not have any JCE's at this stage.	1 April 2015
IGRAP17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset This Interpretation of the Standards provides guidance to the grantor where it has entered into a	Unknown

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	<p>service concession arrangement, but only controls a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No such transactions or events are expected in the foreseeable future.</p>	
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These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.9. RESERVES

1.9.1 *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilized.

1.9.2 *Housing Development Fund*

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.9.3 *Self Insurance Reserve*

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of Financial Performance. An amount equal to the expense is transferred from the Insurance Reserve to the Accumulated Surplus via the Statement of Changes in Net Assets.
- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Accumulated Surplus account via the Statement of Changes in Net Assets.

1.10. LEASES

1.10.1 *Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2 *Municipality as Lessor*

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met, an amount equal to the conditions met, are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

1.13. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met, an amount equal to the conditions met, are transferred to revenue in the Statement of Financial Performance.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is de-recognised.

1.15. EMPLOYEE BENEFITS

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.15.1 Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – “Employee Benefits” (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.2 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.3 Provision for Staff Leave

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the basic salary of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

1.15.4 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrues to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.15.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15.6 Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.16.2 **Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.16.3 **Depreciation and Impairment**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

Infrastructure	Years	Other	Years
Roads and Paving	5-130	Buildings	30-105
Pedestrian Malls	10-30	Specialist vehicles	3-70
Electricity	6-130	Other vehicles	3-70
Water	10-130	Office equipment	3-25
Sewerage	10-130	Furniture and fittings	2-30

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Housing	30	Watercraft	15
Community		Bins and containers	5
Buildings	10-105	Specialised plant and equipment	
Recreational Facilities	15-105	Other plant and equipment	3-40
Security	30	Landfill sites	10-100
Halls	30-105	Quarries	5-25
Libraries	20-105	Emergency equipment	3-30
Parks and gardens	20-105	Computer equipment	3-20
Other assets	10-105		
Finance lease assets			
Office equipment	3-7		
Other assets	3-7		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.16.4 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5 Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2010. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2010.

1.17. INTANGIBLE ASSETS

1.17.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or

BEAUFORT WEST MUNICIPALITY

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- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.17.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.17.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	Years
Computer Software	3 - 10

1.17.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The

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gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17.5 Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2010.

1.18. INVESTMENT PROPERTY

1.18.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.18.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.18.3 Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are

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depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	Years
Buildings	30

1.18.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18.5 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2010

1.19 HERITAGE ASSETS

1.19.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3 Depreciation and Impairment

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been

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recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.19.4 *De-recognition*

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.19.5 *Application of deemed cost - Directive 7*

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2010.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1 *Cash-generating assets*

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

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- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.20.2 *Non-cash-generating assets*

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - Cessation, or near cessation, of the demand or need for services provided by the asset.
 - Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

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(b) Internal sources of information

- Evidence is available of physical damage of an asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
- A decision to halt the construction of the asset before it is complete or in a usable condition.
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *Depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *Restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *Service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.21. INVENTORIES

1.21.1 *Initial Recognition*

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2 *Subsequent Measurement*

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.22. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions) and non-current investments. The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

1.22.1 *Initial Recognition*

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.22.2 *Subsequent Measurement*

Financial assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.22.2.1 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment

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and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.22.2.2 Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.22.2.3 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.

1.22.2.4 Non-Current Investments

Investments which include investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

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The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.22.3 *De-recognition of Financial Instruments*

1.22.3.1 *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.22.3.2 *Financial Liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.22.4 *Offsetting of Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

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1.23 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.23.1 *Initial Recognition*

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset.

1.23.2 *Measurement*

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

- (a) interest or other charges that may have accrued on the receivable;
- (b) impairment losses; and
- (c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.23.3 *De-recognition*

The Municipality derecognises a statutory receivable when:

- (a) the rights to the cash flows from the receivable are settled, expire or are waived;
- (b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:

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- (i) de-recognise the receivable; and
- (ii) recognise separately any rights and obligations created or retained in the transfer.

1.24. REVENUE

1.24.1 *Revenue from Non-Exchange Transactions*

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of iGRAP 1, as there is no intention of collecting this revenue.

Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue.

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Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.24.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;

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- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
 - has control or joint control over the Municipality.
 - has significant influence over the Municipality. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
 - the entity is controlled or jointly controlled by a person identified in (a).

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- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as "Key Management") includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.26. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Remuneration of Public Office Bearers Act (Act. No. 20 of 1998), or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.30.1 *Post-retirement medical obligations and Long service awards*

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the

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financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 *Impairment of Receivables*

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.30.3 *Property, Plant and Equipment*

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- cost of items with a similar nature currently in the Municipality's asset register;
- cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.4 *Intangible Assets*

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

1.30.5 *Investment Property*

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuators to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.6 *Provisions and Contingent Liabilities*

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

1.30.7 *Revenue Recognition*

Accounting Policy 1.24.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.24.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.30.8 Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

1.30.9 Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.30.10 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.30.11 Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end that is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is calculated using between 5 and 10 days worth of unused electricity.

1.30.12 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.31. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of Value Added Tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1.32. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.33. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.34. TAXATION

1.34.1 *Current tax assets and liabilities*

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

1.34.2 *Deferred tax assets and liabilities*

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

1.34.3 *Tax expenses*

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Current and deferred taxes are recognised as income or an expense and included in surplus/deficit for the period.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 NET ASSET RESERVES

	2015 R	2014 R
RESERVES		
Capital Replacement Reserve	15 750 287	10 166 450
Housing Development Fund	10 491 152	4 849 606
Self Insurance Reserve	4 062 271	4 198 159
	1 196 864	1 118 685
Total Net Asset Reserve and Liabilities	15 750 287	10 166 450

The above balances are represented by cash of R219 642 for the current year and R218 612 (2014) and is invested together with the other investments of the municipality (See Note 42)

3 LONG TERM LIABILITIES

	2015 R	2014 R
Annuity Loans - At amortised cost	12 028 075	13 544 430
Capitalised Lease Liability - At amortised cost	3 282 326	4 534 416
	15 310 401	18 078 846
Less: Current Portion transferred to Current Liabilities	3 763 632	3 476 271
Annuity Loans - At amortised cost	1 575 262	1 516 227
Capitalised Lease Liability - At amortised cost	2 188 370	1 960 044
Total Long-term Liabilities - At amortised cost using the effective interest rate method	11 546 769	14 602 574

Annuity loans at amortised cost is calculated at 8.6%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

Finance Lease loans at amortised cost is calculated at 8.50%-20.50% interest rate, with last maturity date of 30 April 2018. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

	2015 R	2014 R
The obligations under annuity loans are scheduled below:		Minimum annuity payments
Amounts payable under annuity loans:		
Payable within one year	2 779 743	2 870 994
Payable within two to five years	7 479 172	8 963 878
Payable after five years	9 872 319	11 173 707
	20 131 235	23 008 579
Less: Future finance obligations	(8 103 160)	(9 464 179)
Present value of annuity obligations	12 028 075	13 544 400

The obligations under finance leases are scheduled below:

	2015 R	2014 R
Amounts payable under finance leases:		Minimum lease payments
Payable within one year	2 382 345	2 269 318
Payable within two to five years	1 148 367	2 729 375
Payable after five years	-	-
	3 530 712	4 998 693
Less: Future finance obligations	(248 386)	(464 279)
Present value of lease obligations	3 282 326	4 534 414

Leases are secured by property, plant and equipment - Note 13

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3

LONG TERM LIABILITIES (CONTINUED)

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Eqstra	CZ 6725 LDV Toyota	9.00%	0%	3 Years	2014/10/13
Nashua	MP4001	9.00%	0%	3 Years	2014/09/30
Nashua	MPC5501	9.00%	0%	3 Years	2014/08/31
Eqstra	CZ 8282 Isuzu KB250D Fleetside A/C P/U S/C	8.50%	0%	3 Years	2016/02/28
Eqstra	CZ 8340 Isuzu KB250D Fleetside A/C P/U S/C	8.50%	0%	3 Years	2016/02/28
Eqstra	CZ 8341 Isuzu KB250D Fleetside A/C P/U S/C	8.50%	0%	3 Years	2016/02/28
Eqstra	CZ 8343 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	CZ 8408 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8410 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8414 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8415 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8418 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8419 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8421 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Eqstra	CZ 8422 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Panasonic	Machine Photocopy Kyocera Fs1128	9.00%	0%	5 Years	2016/08/30
Panasonic	Machine Photocopy Kyocera Fs 6025	9.00%	0%	5 Years	2016/07/30
Panasonic	PABX Telephone System	9.00%	15%	5 Years	2016/03/30
Panasonic	CCTV Camera's	20.50%	0%	3 Years	2015/09/30
Eqstra	CZ 2078 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 2477 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 4155 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 8684 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 8685 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 8686 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 8687 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 5753 Sedan Toyota Etios	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 5136 Sedan Toyota Etios	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 6192 Sedan Toyota Etios	8.50%	0%	3 Years	2016/09/30
Eqstra	CZ 8563 Isuzu KB250D Fleetside A/c P/u S/c	8.50%	0%	3 Years	2016/06/30
Eqstra	CZ 1096 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Eqstra	CZ 5366 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 4898 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 4296 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 2295 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 1461 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 8728 Sedan Toyota Etios	8.50%	0%	3 Years	2016/10/30
Eqstra	CZ 6743 Isuzu KB250D Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Wesbank	CZ 3697 Truck Nissan UD 90B F/C C/C	8.50%	0%	3 Years	2017/01/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	Machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Minolta	Machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	Machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	Machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Eqstra	CZ 9005 Isuzu KB250D Leed Fleetside P/u S	9.00%	0%	3 Years	2017/05/30
Eqstra	CZ 4033 Isuzu KB250D Leed Fleetside P/U S/C	9.25%	0%	3 Years	2017/09/30
Fintech	Machine Franking Neopost IJ - 40	9.25%	0%	3 Years	2017/06/30
Nashua	Machine Photocopy Nashua MP 2501SPF	9.25%	0%	3 Years	2017/11/10
Nashua	Machine Photocopy Nashua MPC6502SP	9.25%	0%	3 Years	2018/03/30
Eqstra	CZ 7488 Isuzu KB 250D Leed Fleetside P/U S/C	9.25%	0%	3 Years	2018/04/30
Eqstra	CZ 9327 Isuzu KB 250D Leed Fleetside P/U S/C	9.25%	0%	3 Years	2018/04/30

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	2014 R
4 EMPLOYEE BENEFITS			
Post Retirement Benefits	4.1	24 304 277	22 683 885
Long Service Awards	4.2	3 361 279	3 167 820
Pension Murraysburg		23 756	30 393
Total Non-current Employee Benefit Liabilities		27 689 312	25 882 098
<i>Post Retirement Benefits</i>			
Balance 1 July		23 541 177	19 978 516
Contribution for the year		(856 858)	(803 089)
Expenditure for the year		2 857 764	2 483 291
Actuarial Loss/(Gain)		(394 746)	1 882 459
Total post retirement benefits 30 June		25 147 337	23 541 177
<i>Less:</i> Transfer of Current Portion	7	(843 060)	(857 292)
Balance 30 June		24 304 277	22 683 885
<i>Long Service Awards</i>			
Balance 1 July		3 568 981	3 478 317
Contribution for the year		(473 104)	(209 774)
Expenditure for the year		552 132	503 723
Actuarial Loss/(Gain)		178 743	(203 285)
Total long service 30 June		3 826 752	3 568 981
<i>Less:</i> Transfer of Current Portion	7	(465 473)	(401 161)
Balance 30 June		3 361 279	3 167 820
<i>Pension Murraysburg</i>			
Balance 1 July		30 393	29 234
Expenditure for the year		(6 637)	1 159
Balance 30 June		23 756	30 393
<i>TOTAL NON-CURRENT EMPLOYEE BENEFITS</i>			
Balance 1 July		27 140 551	23 486 067
Contribution for the year		(1 329 963)	(1 012 863)
Expenditure for the year		3 403 259	2 988 173
Actuarial Loss/(Gain)		(216 003)	1 679 174
Total employee benefits 30 June		28 997 845	27 140 551
<i>Less:</i> Transfer of Current Portion	7	(1 308 533)	(1 258 453)
Balance 30 June		27 689 312	25 882 098
4.1 Post Retirement Benefits			
The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
In-service (employee) members		56	57
In-service (employee) non-members		299	301
Continuation members (e.g. Retirees, widows, orphans)		25	26
Total Members		380	384
The liability in respect of past service has been estimated to be as follows:			
In-service (employees) members		10 307 427	8 824 030
In-service (employees) non-members		2 809 035	2 666 600
Continuation (retirees and widows) members		12 030 875	12 050 547
Total Liability		25 147 337	23 541 177

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4

EMPLOYEE BENEFITS (CONTINUED)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
In-service members	7 815 266	8 183 241	7 277 383
Continuation members	1 997 976	2 080 071	10 306 593
Continuation (retirees and widows) members	10 165 274	11 261 395	-
Total Liability	19 978 516	21 524 707	17 583 976

2015
Rm

2014
Rm

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	(0.104)	1.004
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2013 Rm	2012 Rm	2011 Rm
Liabilities: (Gain) / loss	(3.061)	1.678	1.785
Assets: Gain / (loss)	-	-	-

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health;
Samwumed; and
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2015 is estimated at R25 147 337. The Current-service Cost for the year ending 30 June 2015 is estimated at R793 716. It is estimated to be R891 406 for the ensuing year.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	8.89%	8.93%
Health Care Cost Inflation Rate	8.01%	8.13%
Net Effective Discount Rate	0.82%	0.74%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

2015
R

2014
R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	25 147 337	23 541 177
Total Liability	25 147 337	23 541 177

The fund is wholly unfunded.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4 EMPLOYEE BENEFITS (CONTINUED)

2015
R

2014
R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	23 541 177	19 978 516
Total expenses	2 000 906	1 680 202
Current service cost	793 176	783 017
Interest Cost	2 064 588	1 700 274
Benefits Paid	(856 858)	(803 089)
Actuarial (gains)/losses	(394 746)	1 882 459
Present value of fund obligation at the end of the year	25 147 337	23 541 177
<u>Less:</u> Transfer of Current Portion - Note 7	(843 060)	(857 292)
Balance 30 June	24 304 277	22 683 885

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions					
Health care inflation	1%	15.813	13.343	29.157	16%
Health care inflation	-1%	10.978	10.911	21.890	-13%
Discount Rate	1%	11.010	10.928	21.939	-13%
Discount Rate	-1%	15.818	13.345	29.163	16%
Post-retirement mortality	-1 year	13.581	12.512	26.093	4%
Average retirement age	-1 year	14.036	12.031	26.067	4%
Continuation of membership at retirement	-10%	9.333	12.031	21.364	-15%
Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption					
Health care inflation	1%	996 500	2 398 800	3 395 300	19%
Health care inflation	-1%	637 000	1 792 600	2 429 600	-15%
Discount rate	1%	645 100	1 997 800	2 642 900	-8%
Discount rate	-1%	987 800	2 130 800	3 118 600	9%
Post-retirement mortality	-1 year	820 700	2 144 800	2 965 500	4%
Average retirement age	-1 year	855 100	2 136 000	2 991 100	5%
Continuation of membership at retirement	-10%	494 500	1 751 900	2 246 400	-21%

2015
R

2014
R

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 358 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2015 is estimated at R3 826 752. The Current-service Cost for the year ending 30 June 2015 is estimated at R283 215. It is estimated to be R315 183 for the ensuing year.

Key actuarial assumptions used:

2015
%

2014
%

i) Rate of interest

Discount rate	8.03%	7.97%
General Salary Inflation (long-term)	7.08%	7.13%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.89%	0.79%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4	EMPLOYEE BENEFITS (CONTINUED)	2015 R	2014 R
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The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	3 826 752	3 568 981
Net liability/(asset)	3 826 752	3 568 981

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
Present value of fund obligations	3 478 317	3 246 547	2 902 880
Total Liability	3 478 317	3 246 547	2 902 880

Experience adjustments were calculated as follows:

	2015 R	2014 R
Liabilities: (Gain) / loss	133 705	(124 179)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2013 Rm	2012 Rm	2011 Rm
Liabilities: (Gain) / loss	(110 128)	(5 747)	496 177
Assets: Gain / (loss)	-	-	-

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	3 568 981	3 478 317
Total expenses	79 028	293 949
Current service cost	283 215	264 427
Interest Cost	268 917	239 296
Benefits Paid	(473 104)	(209 774)
Actuarial (gains)/losses	178 743	(203 285)
Present value of fund obligation at the end of the year	3 826 752	3 568 981
Less: Transfer of Current Portion - Note 7	(465 473)	(401 161)
Balance 30 June	3 361 279	3 167 820

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		3 827	
General salary inflation	1%	4 088	7%
General salary inflation	-1%	3 591	-6%
Discount Rate	1%	3 580	-6%
Discount Rate	-1%	4 105	7%
Average retirement age	-2 yrs	3 284	-14%
Average retirement age	2 yrs	4 445	16%
Withdrawal rates	-50%	4 491	17%

Sensitivity Analysis on Current-service and Interest Costs for year ending 30/06/2015

Assumption	Change	Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		283 200	268 900	552 100	
General salary inflation	1%	308 700	288 400	597 100	8%
General salary inflation	-1%	260 700	251 400	512 100	-7%
Discount rate	1%	259 900	282 000	541 900	-2%
Discount rate	-1%	310 100	253 400	563 500	2%
Average retirement age	-2 years	249 300	231 000	480 300	-13%
Average retirement age	+2 years	324 600	317 900	642 500	16%
Withdrawal rates	-50%	374 200	319 800	694 000	26%

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		R	R

4 EMPLOYEE BENEFITS (CONTINUED)

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claims that the pensioner data is confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi-Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 112.2% (30 June 2013 - 100.2%).

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The latest available actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 106.2% (30 June 2013 - 99.7%).

b **SALA PENSION FUND**

The contribution rate payable is 8.60% by members and 20.78% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2013 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

SAMWU PROVIDENT FUND

The contribution rate payable is 7.50% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2013 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

		2015	2014
		R	R
5	NON-CURRENT PROVISIONS		
	Provision for Rehabilitation of Landfill-sites	5 201 683	5 676 153
	Total Non-current Provisions	5 201 683	5 676 153

The rehabilitation cost provision is for the rehabilitation of four landfill sites in the Beaufort West region. It is required from the municipality to execute an environmental management program to restore the landfill sites after its useful life. Provision has been made for this cost based on the estimated present value of future cash flows arising from the rehabilitation cost expected as at the estimated decommission dates listed below.

	Notes	2015	2014
		R	R
Landfill Sites			
Balance 1 July		5 676 153	5 337 039
Increase in Estimate		3 627 969	87 835
Unwinding of discounted interest		297 376	251 280
Total provision 30 June		9 601 499	5 676 153
Less: Transfer of Current Portion to Provisions		(4 399 815)	-
Balance 30 June		5 201 683	5 676 153

Location	Estimated decommission date	Cost of	Cost of
		rehabilitation	rehabilitation
		2015	2014
		R	R
Beaufort West	2020	3 637 409	2 747 620
Murraysburg	2015	4 399 815	1 168 235
Nelspoort	2036	827 870	999 883
Merweville	2032	736 405	760 416
		9 601 499	5 676 153

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5 NON-CURRENT PROVISIONS (CONTINUED)

Material Assumptions used

Area of landfill site consumed	2013	2014	2015
Beaufort West	61.34%	63.22%	14.49%
Murraysburg	66.37%	67.32%	39.37%
Nelspoort	44.33%	45.74%	3.03%
Merweville	60.26%	61.90%	3.84%
	2015	2014	
Discount Rate used		5.24%	4.71%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

6 CONSUMER DEPOSITS

	2015 R	2014 R
Water & Electricity	1 227 349	1 138 815
Total Consumer Deposits	1 227 349	1 138 815

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

	2015 R	2014 R
Current Portion of Post Retirement Benefits - Note 4	843 060	857 292
Current Portion of Long-Service Provisions - Note 4	465 473	401 161
Performance Bonuses	560 850	481 518
Bonuses	1 886 650	1 753 146
Staff Leave	4 223 673	4 016 026
Total Current Employee Benefits	7 979 706	7 509 143

The movement in current employee benefits are reconciled as follows:

Provision for Performance Bonuses

Balance at beginning of year	481 518	519 411
Contribution to current portion	471 763	321 200
Expenditure incurred	(392 431)	(359 093)
Balance at end of year	560 850	481 518

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Bonuses

Balance at beginning of year	1 753 146	1 536 643
Contribution to current portion	3 415 686	3 850 618
Expenditure incurred	(3 282 182)	(3 634 115)
Balance at end of year	1 886 650	1 753 146

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year-end represents a portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Staff Leave

Balance at beginning of year	4 016 026	3 909 245
Contribution to current portion	622 106	540 012
Expenditure incurred	(414 459)	(433 231)
Balance at end of year	4 223 673	4 016 026

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
8	PROVISIONS		
	Current Portion of Rehabilitation of Landfill-sites - Note 5	4 399 815	-
	Total Provisions	4 399 815	-
9	PAYABLES FROM EXCHANGE TRANSACTIONS		
	Trade Payables	27 075 160	20 374 174
	Deposits: Other	1 255 460	1 153 637
	Payments received in advance	276 887	399 232
	Receivable accounts with credit balances	2 500 017	2 503 674
	Pensionfund SALA	1 784 084	2 204 084
	Total Trade Payables	32 891 608	26 634 801
	Payables are not being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.		
	All payments are unsecured.		
10	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
	Unspent Grants		
	National and Provincial Government Grants	4 709 333	7 135 563
	Less: Unpaid Grants	4 709 333	7 135 563
	National and Provincial Government Grants	1 614 319	670 378
	Total Conditional Grants and Receipts	1 614 319	670 378
	3 095 014	6 465 185	
	The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. Grants amounting to R112 708 were withheld.		
10.01	Equitable share		
	Grants received	38 990 000	35 567 000
	Conditions met - Operating	(38 990 000)	(35 567 000)
	Conditions still to be met	-	-
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by the National Treasury.		
10.02	National Grants		
	Opening balance	4 437 361	(686 641)
	Grants received	36 868 000	18 790 000
	Interest on investment (Only if condition)	-	22 551
	Nett Transfers	-	-
	Conditions met - Own Income	(4 826 416)	(1 425 174)
	Conditions met - Operating	(27 540 763)	(8 810 022)
	Conditions met - Capital	(9 793 690)	(3 453 353)
	Conditions still to be met	(855 507)	4 437 361
	National Grants received with conditions to be met.		
10.03	Provincial Grants		
	Opening balance	2 073 899	7 294 949
	Grants received	24 935 085	28 164 751
	Interest on investment (Only if condition)	226 238	223 722
	Conditions met - Own Income	(314 026)	(109 936)
	Conditions met - Operating	(9 394 972)	(32 854 072)
	Conditions met - Capital	(13 419 318)	(162 588)
	Refund to Donor	(112 708)	(482 929)
	Conditions still to be met	3 994 199	2 073 898
	Provincial Grants received with conditions to be met.		

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS (continued)	2015 R	2014 R
10.04 Municipal Infrastructure Grant			
Opening balance	(165 576)	-	-
Grants received	16 745 000	20 353 270	
Nett Transfers	-	(75 111)	
Conditions met - Own Income	(2 034 320)	(2 480 878)	
Conditions met - Operating	(271 205)	(230 514)	
Conditions met - Capital	(14 439 475)	(17 732 344)	
Conditions still to be met	(165 576)	(165 576)	
Municipal Infrastructure Grant received with conditions to be met.			
10.05 Local Economic Development			
Opening balance	32 944	31 341	
Grants received	-	-	
Interest on investment (Only if condition)	1 982	1 603	
Conditions still to be met	34 926	32 944	
Local Economic Development received with conditions to be met.			
10.06 ESKOM			
Opening balance	225 695	-	
Grants received	(225 695)	-	
Conditions met - Operating	-	-	
Conditions still to be met	-	-	
10.07 Central Karoo District Municipality Funds			
Opening balance	86 554	222 087	
Grants received	359 775	318 800	
Interest on investment (Only if condition)	417	318	
Conditions met - Operating	(359 775)	(454 651)	
Conditions still to be met	86 971	86 554	
Central Karoo District Municipality Funds received with conditions to be met.			
10.08 Public Contributions			
Opening balance	139 052	-	
Grants received	-	137 136	
Interest on investment (Only if condition)	6 903	4 418	
Conditions met - Operating	-	(2 502)	
Conditions still to be met	145 955	139 052	
Public Contributions received with conditions to be met.			
10.09 Total Conditional Grants and Receipts			
Opening balance	6 604 236	6 861 736	
Grants received	79 133 555	67 763 957	
Interest on investment (Only if condition)	235 539	252 613	
Nett Transfers	-	(75 111)	
Conditions met - Own Income	(7 174 761)	(4 015 989)	
Conditions met - Operating	(37 792 410)	(42 351 760)	
Conditions met - Capital	(37 652 483)	(21 348 285)	
Refund to Donor	(112 708)	(482 929)	
Conditions still to be met	3 240 968	6 604 234	
Total Conditional Grants and Receipts received with conditions to be met.			

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11 UNSPENT PUBLIC CONTRIBUTIONS

Unspent Public Contribution	145 955	139 052
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The Unspent Public Contributions are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

12 TAXES

	2015 R	2014 R
VAT	2 372 612	162 628
Provision for Debt Impairment of trade receivables from exchange transactions	4 071 847	3 769 386
	<hr/> <hr/> <hr/> 6 444 459	<hr/> <hr/> <hr/> 3 932 014

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

13 PROPERTY, PLANT AND EQUIPMENT

	Reconciliation of Carrying Value					Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Transfers/WIP	Disposals	Closing Balance	Accumulated Impairment	Opening Balance	Depreciation Charge	Disposals/Transfers	Closing Balance	R	R
30 June 2015												
Land and Buildings	57 818 154	52 000 000	-	(468 290)	109 349 864	9 969 999	1 044 597	432 892	(20 340)	1 457 149	97 922 716	
Land Buildings	43 445 230	-	-	(228 950)	43 216 280	8 698 520	-	-	-	-	34 517 760	
	14 372 924	52 000 000	-	(239 340)	66 133 584	1 271 479	1 044 597	432 892	(20 340)	1 457 149	63 404 956	
Infrastructure	353 516 220	37 439 234	-	-	390 955 454	-	53 948 772	10 785 907	-	64 734 679	326 220 775	
Stormwater Network	40 417 967	350 848	-	-	40 768 815	-	8 343 368	1 540 779	-	9 884 146	30 884 669	
Road Network	117 813 657	7 647 722	-	-	125 461 379	-	18 969 698	3 418 284	-	22 387 983	103 073 397	
Sanitation Network	57 194 323	15 605 570	-	-	72 799 894	-	6 692 594	1 632 310	-	8 324 904	64 474 990	
Electricity Network	75 544 598	11 827 295	-	-	87 371 893	-	7 084 672	1 951 896	-	9 036 568	78 335 325	
Water Network	60 793 622	1 877 778	-	-	62 671 400	-	12 518 277	2 192 507	-	14 710 784	47 960 616	
Refuse Network	1 752 053	130 020	-	-	1 882 073	-	340 164	50 131	-	390 295	1 491 778	
Community Assets	16 668 182	335 586	-	(508 000)	16 495 768	557 801	1 746 085	440 652	(40 386)	2 146 350	13 791 617	
Taxi Rank	-	-	-	-	-	-	-	-	-	-	-	
Museum	-	-	-	-	-	-	-	-	-	-	-	
Cemeteries	17 200	-	-	-	17 200	-	1 198	168	-	1 366	15 834	
Community centrums	9 704 783	-	-	(508 000)	9 196 783	349 709	1 130 915	280 515	(40 386)	1 371 043	7 476 031	
Recreation sites	6 388 721	335 586	-	-	6 724 308	186 621	573 790	153 972	-	727 762	5 809 925	
Libraries	557 477	-	-	-	557 477	21 470	40 182	5 997	-	46 179	489 827	
Lease Assets	6 367 882	789 593	-	(130 529)	7 026 946	-	1 365 030	1 706 304	(80 825)	2 990 509	4 036 437	
Office Equipment (Lease)	797 780	281 313	-	-	1 079 093	-	280 437	184 846	-	465 283	613 810	
Vehicles (Lease)	5 570 102	508 280	-	(130 529)	5 947 853	-	1 084 593	1 521 458	(80 825)	2 525 226	3 422 627	
Other Assets	16 990 983	2 087 868	-	(157 500)	18 921 351	-	7 687 529	1 091 497	(58 956)	8 720 071	10 201 280	
Computer hardware	2 559 981	698 545	-	(7 500)	3 251 026	-	1 390 954	230 486	(6 415)	1 615 025	1 636 001	
Air conditioners	597 745	36 326	-	-	634 071	-	361 859	37 781	-	399 640	234 431	
Chairs	299 643	48 585	-	-	348 228	-	203 440	14 977	-	218 417	129 811	
Concrete Mixer	11 938	-	-	-	11 938	-	9 342	325	-	9 667	2 271	
Desks & Tables	328 523	75 178	-	-	403 701	-	215 571	15 759	-	231 330	172 370	
Compactors	30 731	-	-	-	30 731	-	24 623	849	-	25 472	5 259	
Compressors	218 751	-	-	-	218 751	-	54 901	10 146	-	65 047	153 704	
Tools	1 064 031	35 620	-	-	1 099 651	-	421 422	90 687	-	512 109	587 542	
Electronic Equipment	830 114	23 581	-	-	853 695	-	402 948	62 347	-	465 295	388 399	
Fire Brigade Equipment	156 700	-	-	-	156 700	-	44 179	7 140	-	51 319	105 381	
Lawn Equipment	300 590	-	-	-	300 590	-	196 568	13 450	-	210 018	90 572	
Trucks/LDV	5 963 254	212 347	-	(150 000)	6 025 601	-	2 241 724	308 331	(52 540)	2 497 514	3 528 087	
Motor Vehicles	433 061	-	-	-	433 061	-	191 195	29 825	-	221 021	212 041	
Office Equipment	536 806	335 563	-	-	872 369	-	380 106	41 389	-	421 495	450 874	
Office Furniture	894 291	79 450	-	-	973 741	-	486 634	54 898	-	541 532	432 210	
Trailers	414 242	247 598	-	-	661 840	-	283 195	26 583	-	309 778	352 062	
Tractors	1 436 524	-	-	-	1 436 524	-	339 483	84 434	-	423 917	1 012 607	
Toolbox	360 314	-	-	-	360 314	-	164 059	30 332	-	194 391	165 923	
Gym Equipment	116 803	295 075	-	-	411 878	-	71 363	4 472	-	75 835	336 044	
Generators	187 130	-	-	-	187 130	-	59 723	8 277	-	68 000	119 130	
Radio Equipment	249 811	-	-	-	249 811	-	144 240	19 010	-	163 250	86 561	
	451 361 421	92 652 281	-	(1 264 319)	542 749 382	10 527 800	65 792 014	14 457 253	(200 508)	80 048 759	452 172 824	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

13 PROPERTY, PLANT AND EQUIPMENT

	Reconciliation of Carrying Value					Accumulated Depreciation					Carrying Value	
	Opening Balance	Additions	Transfers/WIP	Disposals	Closing Balance	Accumulated Impairment	Opening Balance	Depreciation Charge	Disposals/Transfers	Closing Balance	R	R
30 June 2014												
Land and Buildings	57 816 164	1 990	-	-	57 818 154	9 969 999	883 710	160 887	-	1 044 597	46 803 558	
Land	43 445 230	-	-	-	43 445 230	8 698 520	-	-	-	-	34 746 710	
Balance previously reported	39 915 780	-	-	-	39 915 780	8 698 520	-	-	-	-	31 217 260	
Correction of error. Refer note 39.03	3 529 450	-	-	-	3 529 450	-	-	-	-	-	3 529 450	
Buildings	14 370 934	1 990	-	-	14 372 924	1 271 479	883 710	160 887	-	1 044 597	12 056 848	
Balance previously reported	14 226 434	1 990	-	-	14 228 424	1 271 479	875 040	159 442	-	1 034 482	11 922 463	
Correction of error. Refer note 39.03	144 500	-	-	-	144 500	-	8 670	1 445	-	10 115	134 385	
Infrastructure	328 451 398	12 501 130	12 563 692	-	353 516 220	-	43 614 659	10 334 113	-	53 948 772	299 567 448	
Stormwater Network	38 638 238	1 738 359	41 370	-	40 417 967	-	6 837 612	1 505 756	-	8 343 368	32 074 599	
Road Network	113 738 678	1 748 032	2 326 947	-	117 813 657	-	15 634 058	3 335 640	-	18 969 698	98 843 959	
Sanatation Network	51 960 534	1 063 607	4 170 182	-	57 194 323	-	5 077 776	1 614 818	-	6 692 594	50 501 730	
Electricity Network	66 193 411	5 967 303	3 383 884	-	75 544 598	-	5 362 722	1 721 950	-	7 084 672	68 459 926	
Water Network	56 628 422	1 983 829	2 181 371	-	60 793 622	-	10 412 459	2 105 818	-	12 518 277	48 275 345	
Refuse Network	1 292 115	-	459 938	-	1 752 053	-	290 033	50 131	-	340 164	1 411 889	
Community Assets	16 023 613	644 569	-	-	16 668 182	557 801	1 319 492	426 593	-	1 746 085	14 364 296	
Taxi Rank	-	-	-	-	-	-	(0)	-	-	(0)	0	
Balance previously reported	252 000	-	-	-	252 000	-	15 101	2 468	-	17 569	234 431	
Correct Community asset disclosure	(252 000)	-	-	-	(252 000)	-	(15 101)	(2 468)	-	(17 569)	(234 431)	
Museum	-	-	-	-	-	-	-	-	-	-	-	
Cemeteries	17 200	-	-	-	17 200	-	1 030	168	-	1 198	16 002	
Community centrums	9 704 783	-	-	-	9 704 783	349 709	850 397	280 518	-	1 130 915	8 224 159	
Recreation sites	5 744 152	644 569	-	-	6 388 721	186 621	433 880	139 910	-	573 790	5 628 310	
Libraries	557 477	-	-	-	557 477	21 470	34 185	5 997	-	40 182	495 824	
Lease Assets	4 457 040	4 093 249	-	(2 182 407)	6 367 882	-	2 000 952	1 546 485	(2 182 407)	1 365 030	5 002 852	
Office Equipment (Lease)	628 150	247 737	-	(78 107)	797 780	-	250 490	108 054	(78 107)	280 437	517 343	
Vehicles (Lease)	3 828 890	3 845 512	-	(2 104 300)	5 570 102	-	1 750 462	1 438 431	(2 104 300)	1 084 593	4 485 509	
Other Assets	16 798 798	821 851	-	(629 666)	16 990 983	-	7 060 007	1 026 903	(399 380)	7 687 529	9 303 454	
Computer hardware	2 362 542	197 439	-	-	2 559 981	-	1 226 561	167 394	(3 001)	1 390 954	1 169 027	
Air conditioners	559 368	38 377	-	-	597 745	-	332 085	29 774	-	361 859	235 886	
Chairs	284 164	15 479	-	-	299 643	-	191 696	11 744	-	203 440	96 203	
Concrete Mixer	11 938	-	-	-	11 938	-	9 017	325	-	9 342	2 596	
Desks & Tables	322 173	6 350	-	-	328 523	-	202 738	12 833	-	215 571	112 952	
Compactors	30 731	-	-	-	30 731	-	23 774	849	-	24 623	6 108	
Compressors	218 751	-	-	-	218 751	-	44 755	10 146	-	54 901	163 850	
Tools	798 059	265 972	-	-	1 064 031	-	365 486	55 936	-	421 422	642 609	
Electronic Equipment	672 294	157 820	-	-	830 114	-	359 305	43 643	-	402 948	427 166	
Balance previously reported	690 004	157 820	-	-	847 824	-	372 915	44 326	-	417 241	430 583	
Correction of error	(17 710)	-	-	-	(17 710)	-	(13 610)	(683)	-	(14 293)	(3 417)	
Fire Brigade Equipment	156 700	-	-	-	156 700	-	37 040	7 139	-	44 179	112 521	
Balance previously reported	138 990	-	-	-	138 990	-	23 430	6 456	-	29 886	109 104	
Correction of error	17 710	-	-	-	17 710	-	13 610	683	-	14 293	3 417	
Lawn Equipment	290 475	10 115	-	-	300 590	-	183 973	12 595	-	196 568	104 022	
Trucks/LDV	6 438 972	-	-	(475 718)	5 963 254	-	2 182 006	399 436	(339 718)	2 241 724	3 721 530	
Motor Vehicles	532 836	13 154	-	(112 929)	433 061	-	171 239	42 599	(22 642)	191 195	241 866	
Balance previously reported	532 836	13 154	-	(44 776)	501 214	-	171 239	46 752	(16 776)	201 215	299 999	
Correction of error. Refer note &	-	-	-	(68 153)	(68 153)	-	-	(4 153)	(5 866)	(10 020)	(58 133)	
Office Equipment	557 825	-	-	(21 019)	536 806	-	372 815	28 310	(21 019)	380 106	156 700	
Office Furniture	836 276	58 015	-	-	894 291	-	439 302	47 332	-	486 634	407 657	
Trailers	406 922	7 320	-	-	414 242	-	266 926	16 269	-	283 195	131 047	
Tracktors	1 456 524	-	-	(20 000)	1 436 524	-	264 596	87 887	(13 000)	339 483	1 097 041	
Toolbox	332 788	27 526	-	-	360 314	-	140 609	23 450	-	164 059	196 255	
Gym Equipment	116 803	-	-	-	116 803	-	66 891	4 472	-	71 363	45 440	
Generators	187 130	-	-	-	187 130	-	51 446	8 277	-	59 723	127 407	
Radio Equipment	225 527	24 284	-	-	249 811	-	127 747	16 493	-	144 240	105 571	
	423 547 013	18 062 789	12 563 692	(2 812 073)	451 361 421	10 527 800	54 878 820	13 494 981	(2 581 787)	65 792 014	375 041 608	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
13	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
	Impairment of property plant and equipment		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Land and Buildings	-	9 969 999
	Community Assets	-	557 801
		<hr/> <hr/>	<hr/> <hr/>
		10 527 800	

Assessment of impairment of assets was performed on other assets.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

		2015 R	2014 R
14	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	8 647 603	9 380 540
	Cost	11 222 424	11 222 424
	Accumulated Depreciation	(2 108 239)	(1 841 884)
	Accumulated Impairment	(466 582)	-
	Impairment for the year	-	(466 582)
	Depreciation for the year	(266 355)	(266 355)
	Net Carrying amount at 30 June	8 381 248	8 647 603
	Cost	11 222 424	11 222 424
	Accumulated Depreciation	(2 374 594)	(2 108 239)
	Accumulated Impairment	(466 582)	(466 582)
	Revenue derived from the rental of investment property:		
	Sanlam Building	181 582	191 374
	Operating expenditure incurred on properties generating revenue	<hr/> 48 584	<hr/> 25 642

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost model in terms of GRAP 16 is being applied on Investment Property.

Cost at implementation of GRAP 16 was determined by valuation roll of 1 July 2009. Impairment was calculated based on valuation roll of 1 July 2013.

		2015 R	2014 R
15	INTANGIBLE ASSETS		
	Computer System & Software		
	Net Carrying amount at 1 July	268 770	334 581
	Cost	1 074 013	1 049 204
	Accumulated Amortisation	(805 243)	(714 623)
	Acquisitions	144 224	24 809
	Amortisation for the year	(96 889)	(90 620)
	Net Carrying amount at 30 June	316 106	268 770
	Cost	1 218 238	1 074 013
	Accumulated Amortisation	(902 132)	(805 243)

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation</u> Period	<u>Carrying Value</u>	
		2015 R	2014 R
Sebata System	3	159 150	238 943

No intangible asset were assessed as having an indefinite useful life.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
16 CAPITALISED RESTORATION COST	Notes		
Net Carrying amount at 1 July		1 664 002	1 744 746
Cost		2 653 085	2 565 251
Accumulated Depreciation		(894 623)	(721 672)
Accumulated Impairments		(94 461)	(98 833)
Additions		3 627 969	87 835
Depreciation for the year		(223 693)	(172 950)
Impairment - Note 32		(3 164 984)	4 371
Net Carrying amount at 30 June		1 903 294	1 664 002
Cost		6 281 055	2 653 085
Accumulated Depreciation		(1 118 315)	(894 623)
Accumulated Impairments		(3 259 445)	(94 461)
17 HERITAGE ASSETS			
Net Carrying amount at 1 July		5 225 000	5 225 000
Balance Previously Reported		-	2 970 644
Correction of error		-	2 254 356
Net Carrying amount at 30 June		5 225 000	5 225 000
The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in May 2010. All heritage assets were measured in terms of GRAP 103 during the year under review.			
18 LONG-TERM RECEIVABLES			
Housing Loans		461 643	510 743
Receivables with arrangements		1 788 784	4 387 459
<u>Less:</u> Current portion transferred to Trade and other receivables from exchange transactions		(514 949)	(1 221 615)
Total Long Term Receivables		1 735 478	3 676 587
ARRANGEMENTS			
Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.			
HOUSING LOANS			
The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.			
19 INVENTORY			
Consumable Stores - Stationery and materials - At cost		2 924 399	2 734 031
Water – at cost		67 261	57 419
Total Inventory		2 991 660	2 791 450
Consumable stores materials written down due to losses as identified during the annual stores counts.		-	413
Consumable stores materials surpluses identified during the annual stores counts.		288	4 263
No inventory assets were pledged as security for liabilities.			

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

20 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2015 R	2014 R
Service Receivables		
Water	4 791 898	4 032 531
Electricity	6 650 869	6 703 596
Housing Rentals	81 471	96 734
Refuse	5 941 893	6 215 193
Sewerage	8 867 758	8 915 638
Total Service Receivables	26 333 889	25 963 692
Less: Provision for Debt Impairment	(17 281 223)	(17 395 674)
Net Service Receivables	9 052 666	8 568 018
Other Receivables		
Other Arrears	32 627 129	24 082 471
Total Other Receivables	32 627 129	24 082 471
Less: Provision for Debt Impairment	(16 290 647)	(13 297 898)
Net Other Receivables	16 336 482	10 784 573
Total Net Receivables from Exchange Transactions	25 389 148	19 352 591
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.		
Ageing of Receivables from Exchange Transactions		
(Electricity): Ageing		
Current (0 - 30 days)	4 043 427	4 354 590
31 - 60 Days	283 783	384 762
61 - 90 Days	101 211	216 579
+ 90 Days	2 222 448	1 747 665
Total	6 650 869	6 703 596
(Water): Ageing		
Current (0 - 30 days)	1 132 324	925 824
31 - 60 Days	629 280	254 843
61 - 90 Days	211 438	285 400
+ 90 Days	2 818 856	2 566 464
Total	4 791 898	4 032 531
(Refuse): Ageing		
Current (0 - 30 days)	522 909	514 107
31 - 60 Days	225 127	248 405
61 - 90 Days	206 789	227 053
+ 90 Days	4 987 068	5 225 628
Total	5 941 893	6 215 193
(Sewerage): Ageing		
Current (0 - 30 days)	953 801	955 895
31 - 60 Days	328 919	365 817
61 - 90 Days	295 757	330 109
+ 90 Days	7 289 281	7 263 817
Total	8 867 758	8 915 638
(Housing Rentals Debtors): Ageing		
Current (0 - 30 days)	5 385	5 819
31 - 60 Days	1 869	2 615
61 - 90 Days	1 329	1 960
+ 90 Days	72 888	86 340
Total	81 471	96 734
(Other Debtors): Ageing		
Current (0 - 30 days)	12 173 865	1 093 898
31 - 60 Days	619 738	630 250
61 - 90 Days	1 279 890	326 270
+ 90 Days	18 553 636	22 032 053
Balance Previously Reported	-	17 797 191
Correction of error Note 39.05	-	4 234 862
Total	32 627 129	24 082 471

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R		
21	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
	Service Receivables				
	Taxes - Rates	5 931 129	5 724 720		
	Other Receivables	72 092 733	33 811 695		
	Total Service Receivables	78 023 862	39 536 415		
	Less: Provision for Debt Impairment	(62 653 629)	(28 800 995)		
	Total Net Receivables from Non-Exchange Transactions	15 370 233	10 735 419		
	Ageing of Receivables from Non-Exchange Transactions				
	(Rates): Ageing				
	Current (0 - 30 days)	1 423 523	1 194 606		
	31 - 60 Days	273 426	328 898		
	61 - 90 Days	209 244	310 669		
	+ 90 Days	4 024 936	3 890 547		
	Total	5 931 129	5 724 720		
	(Other Receivables): Ageing				
	Current (0 - 30 days)	-	-		
	31 - 60 Days	-	-		
	61 - 90 Days	-	-		
	+ 90 Days	72 092 733	33 811 695		
	Balance Previously Reported	-	38 046 557		
	Correction of error Note 39.06	-	(4 234 862)		
	Total	72 092 733	33 811 695		
	Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R	Other Debtors	National and Provincial Government R	Total
		R		R	
	2015				
	Total Receivables	136 485 868	-	499 012	136 984 880
	Less: Provision for doubtful debts	(96 225 499)	-	-	(96 225 499)
	Total Recoverable debtors by customer classification	40 260 369	-	499 012	40 759 381
	Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R	Other Debtors	National and Provincial Government R	Total
		R		R	
	2014				
	Total Receivables	88 256 451	-	1 326 127	89 582 578
	Less: Provision for doubtful debts	(59 494 567)	-	-	(59 494 567)
	Total Recoverable debtors by customer classification	28 761 884	-	1 326 127	30 088 011
	Trade and other receivables impaired				
	2015				
		Exchange Transactions R	Non-Exchange Transactions R	Total	
	Total	(33 571 870)	(62 653 629)	(96 225 499)	
	2014				
		Exchange Transactions R	Non-Exchange Transactions R	Total	
	Total	(30 693 572)	(28 800 995)	(59 494 567)	

Debts on rates are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

<u>Reconciliation of the Total Provision for Debt Impairment</u>	2015 R	2014 R
Balance at beginning of the year	59 494 567	32 917 840
Contributions to provision	40 121 041	27 217 301
VAT Contributions to provision	302 461	254 999
Additional interest/corrections transferred to/from provision	2 958	15 131
Doubtful debts written off against provision	(3 695 528)	(910 704)
Balance at end of year	96 225 499	59 494 567

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

22 OPERATING LEASE ARRANGEMENTS

22.1 The Municipality as Lessor	Notes
Balance on 1 July	10 008
Operating Lease Asset for the current year	4 188
Balance on 30 June	14 196
	10 008

Beaufort West Municipality is leasing land to rate payers for periods of 24 to 119 months with various escalations per year.

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	492 660	243 900
1 to 5 Years	763 871	326 317
More than 5 Years	156 594	158 386
Total Operating Lease Arrangements		1 413 125
		728 603

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land being leased out for a period until 2109

23 CASH AND CASH EQUIVALENTS

<u>Assets</u>	2015 R	2014 R
Call Investments Deposits	15 036 387	9 332 328
Primary Bank Account	-	2 592 738
Cash Floats	12 230	12 070
Total Cash and Cash Equivalents - Assets	15 048 617	11 937 136
<u>Liabilities</u>	2015 R	2014 R
Primary Bank Account	(1 932 245)	-
Total Cash and Cash Equivalents - Liabilities	(1 932 245)	-

Call Investments Deposits to an amount of R4 651 273 are held to fund the Unspent Conditional Grants (2014: R7 135 564).

Bank overdraft of R5 000 000 exists at Nedbank and the Municipality has a facility of R 900 594 for Fleet Cards at Nedbank.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		R	R

23 CASH AND CASH EQUIVALENTS (CONTINUED)

The municipality has the following bank account:

Current Account

Beaufort West Nedbank - Account Number 10 7482 0318 (Primary Account):

Cash book balance at beginning of year	-	1 273 546
Cash book balance at end of year	(1 932 245)	-
Bank statement balance at beginning of year	2 151 835	2 925 478
Bank statement balance at end of year	3 505 326	2 151 835

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Investec	2 804 217	2 743 193
ABSA	3 966 864	2 786 780
Standard Bank	273 084	334 603
Nedbank	7 992 228	3 467 757
	<u>15 036 392</u>	<u>9 332 333</u>

24 PROPERTY RATES

Actual

Rateable Land and Buildings

Residential, Commercial Property, State	27 215 031	25 229 135
Less: Rebates	<u>27 215 031</u>	<u>25 229 135</u>
	<u>(2 632 007)</u>	<u>(2 436 905)</u>
Total Assessment Rates	<u>24 583 024</u>	<u>22 792 230</u>

Valuations on 30 June 2015:

Residential	1 146 872 730	1 081 471 237
Commercial	269 361 000	253 591 100
Governments	7 960 300	72 862 150
Schools	46 821 100	43 501 100
PSI	41 246 900	40 976 097
Non profitable	83 022 150	80 774 570
Exemptions (Municipal)	189 577 750	207 958 061
Agricultural	1 715 323 060	1 686 056 802
Vacant Erven	-	55 000
Building Clause	10 345 928	9 429 728
Total Property Valuations	<u>3 510 530 918</u>	<u>3 476 675 845</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

25	GOVERNMENT GRANTS AND SUBSIDIES	2015 R	2014 R
	Unconditional Grants	38 990 000	35 567 000
	Equitable Share - Refer to Note 25.1	38 990 000	35 567 000
	Conditional Grants	75 444 894	63 700 041
	Municipal Infrastructure Grant	14 439 475	17 732 343
	Finance Management Grant	1 460 327	1 549 058
	Department of Water Affairs and Forestry	-	-
	Department of Mineral and Energy	32 639 828	8 737 286
	ACIP	887 934	-
	Municipal System Improvement Grant	719 364	857 071
	Public Transport Infrastructure Program (PTIP)	81 150	13 482
	Provincial Administration Western Cape (PAWC)	21 733 260	32 701 524
	Neighbourhood Development Programme (NDP)	271 205	230 514
	Donations and Public Contributions	-	2 502
	Subsidies	696 316	-
	Job Creation	359 776	454 650
	Expended Public Works Program National (EPWP)	1 834 000	1 093 379
	Regional Bulk Infrastructure Grant : Capital (RBIG)	18 695	26 581
	Community Development Workers	303 564	301 651
	Total Government Grants and Subsidies	114 434 894	99 267 041
	Government Grants and Subsidies - Capital	37 652 483	21 348 285
	Government Grants and Subsidies - Operating	76 782 411	77 918 756
		114 434 894	99 267 041
	Revenue recognised per vote as required by Section 123 (c) of the MFMA		
	Executive & Council	22 026 089	22 192 164
	Budget & Treasury	5 972 432	4 646 728
	Corporate Services	205 022	-
	Planning & Development	398 101	290 514
	Community & Social Services	5 156 570	3 675 040
	Housing	3 195 587	28 790 936
	Sport & Recreation	1 837 626	844 212
	Waste Management	1 033 455	750 567
	Waste Water Management	13 916 313	6 388 541
	Road Transport	11 923 757	7 540 295
	Water	11 957 211	9 088 167
	Electricity	36 812 731	15 059 877
		114 434 894	99 267 041

The municipality does not expect any significant changes to the level of grants.

25.1 **Equitable share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix D & note 10 for a reconciliation of all grants.

26	SERVICE CHARGES	2015 R	2014 R
	Electricity	57 777 162	56 620 589
	Service Charges - Electricity	61 204 206	59 505 650
	<u>Less:</u> Rebates	(3 427 044)	(2 885 061)
	Water	13 386 412	12 149 823
	Service Charges - Water	21 421 823	19 048 372
	<u>Less:</u> Rebates	(8 035 411)	(6 898 549)
	Refuse removal	5 947 327	5 598 121
	Service Charges - Refuse	6 850 762	6 307 318
	<u>Less:</u> Rebates	(903 435)	(709 197)
	Sewerage and Sanitation Charges	11 288 363	10 730 841
	Service Charges - Sewerage	14 031 381	12 889 262
	<u>Less:</u> Rebates	(2 743 018)	(2 158 421)
	Total Service Charges	88 399 264	85 099 374

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
27	OTHER REVENUE		
Insurance excess revenue		129 007	141 022
VAT portion of Grants that the Municipality may recognize as own income		7 077 277	3 848 605
Selling of burial sites		164 518	168 432
Subsidies		-	23 377
Fees: swimming pool		104 669	82 209
Commission on insurances		97 856	93 091
Re-connections		58 047	61 309
Building plans		96 735	95 591
Sale of land		62 324	199 338
Reversal: Impairment		5 971	4 371
Other income represents sundry income such as administration income, sale of sand and photocopies.		1 582 554	639 049
Total Other Income		9 378 958	5 356 394
28	EMPLOYEE RELATED COSTS		
Standby Allowances		1 306 857	1 176 001
Housing Subsidy		270 703	246 105
Bonus		3 887 448	3 850 621
Essential Users		1 228 782	1 180 179
Overtime		3 195 939	3 268 436
Long Service Awards		6 000	12 000
Salaries		49 896 392	43 560 747
Acting Allowance		2 199 365	2 189 981
Uniform Allowance		58 960	57 120
Leave Reserve Fund		622 106	540 012
Transport Allowance		479 861	404 675
Group Insurance		57 439	54 618
Medical Aid Contribution		1 185 296	1 177 668
Provident Fund SAMWU		577 250	623 397
Pension Fund Contribution		6 919 728	6 003 064
Occupational Health/Safety		33 090	61 555
Unemployment Fund		509 551	415 452
Long Service Bonus		640 702	264 427
Post Retirement Medical		3 684	780 485
MIG PMU		-	-
Expanded Public Works Programme		346 455	1 340 068
Housing		346 455	670 997
Total Employee Related Costs		73 425 608	67 877 608
KEY MANAGEMENT PERSONNEL			
The Municipal Manager, Director Corporate Services and the CFO are appointed on 5-year fixed contracts and the Directors Electrical Services and Engineering Services are permanently employed. The Director Community Services is vacant and is filled by an acting employee.			
REMUNERATION OF KEY MANAGEMENT PERSONNEL			
<i>Remuneration of the Municipal Manager: J Booyens</i>			
Annual Remuneration		899 194	818 150
Performance Bonuses		132 000	109 409
Car Allowance		119 334	120 000
Contributions, Medical and Pension Funds		188 020	87 232
Function Committee Allowance		-	2 625
Total		1 338 548	1 137 416
<i>Remuneration of the Director Financial Services: F Sabbat (01/09/2014 - 30/06/2015)</i>			
Annual Remuneration		683 333	-
Car Allowance		100 000	-
Acting allowance		9 917	-
Total		793 250	-
<i>Remuneration of the Director Electrical Services: RE van Staden</i>			
Annual Remuneration		595 610	553 908
Performance Bonuses		80 731	75 562
Car Allowance		72 000	72 000
Contributions, Medical and Pension Funds		116 143	108 012
Acting Allowance		25 784	35 950
Total		890 268	845 432

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

28

EMPLOYEE RELATED COSTS (CONTINUED)

	2015 R	2014 R
<i>Remuneration of the Director Community Services: AC Makendiana (01/07/2014 - 31/08/2014)</i>		
Annual Remuneration	118 250	661 200
Performance Bonuses	-	63 656
Car Allowance	10 000	60 000
Contributions, Medical and Pension Funds	23 059	128 928
Acting Allowance	5 950	227 995
Telephone	1 000	6 000
Total	158 259	1 147 779

Remuneration of the Acting Director Community Services: RE Klink (01/09/2014 - 30/06/2015)

Acting Allowance	264 795	-
Total	264 795	-

Remuneration of the Director Engineering Services: JCL Smit

Annual Remuneration	639 920	595 401
Performance Bonuses	86 185	80 667
Car Allowance	72 000	72 000
Contributions, Medical and Pension Funds	124 784	116 103
Acting Allowance	1 983	1 858
Total	924 872	866 029

Remuneration of the Director Corporate Services: NE Mfundisi

Annual Remuneration	-	152 405
Performance Bonuses	-	29 798
Car Allowance	-	24 000
Contributions, Medical and Pension Funds	-	52 981
Acting Allowance	-	6 987
Leave pay-out	-	22 861
Total	-	289 032

Remuneration of the Director Corporate Services: AC Makendiana (01/09/2014 - 30/06/2015)

Annual Remuneration	613 668	-
Performance Bonuses	93 514	-
Car Allowance	50 000	-
Contributions, Medical and Pension Funds	119 665	-
Acting Allowance	45 620	-
Telephone	5 000	-
Total	927 468	-

29

REMUNERATION OF COUNCILLORS

<i>Remuneration of Councillor: H.T. Prince</i>		
Annual Remuneration	406 379	382 012
Telephone Allowance	20 868	20 868
Travelling	167 239	158 670
Tools of trade	3 600	3 600
Pension	57 744	56 421
Medical	41 432	37 850
Total	697 262	659 421

Remuneration of Councillor: S.M. Motsoane

Annual Remuneration	353 243	332 519
Telephone Allowance	20 868	20 868
Travelling	134 552	126 936
Tools of trade	3 600	3 600
Pension	50 413	48 291
Total	562 676	532 214

Remuneration of Councillor: G.P. Adolph

Annual Remuneration	378 429	357 009
Telephone Allowance	20 868	20 868
Travelling	71 788	119 003
Tools of trade	3 600	3 600
Pension	54 355	-
Total	529 040	500 480

Remuneration of Councillor: J. Bostander

Annual Remuneration	132 466	124 696
Telephone Allowance	20 868	20 868
Travelling	50 457	47 601
Tools of trade	3 600	3 600
Pension	18 906	18 109
Total	226 297	214 874

Remuneration of Councillor: M. Furmen

Annual Remuneration	201 829	190 405
Telephone Allowance	20 868	20 868
Tools of trade	3 600	3 600
Total	226 297	214 873

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

29	REMUNERATION OF COUNCILLORS (CONTINUED)	2015 R	2014 R
<i>Remuneration of Councillor: G. De Vos</i>			
Annual Remuneration	151 372	142 804	
Telephone Allowance	20 868	20 868	
Travelling	50 457	47 601	
Tools of trade	3 600	3 600	
Total	226 297	214 873	
<i>Remuneration of Councillor: P.A. Jacobs</i>			
Annual Remuneration	-	55 584	
Telephone Allowance	-	3 478	
Travelling	-	21 156	
Tools of trade	-	600	
Pension	-	7 884	
Total	-	88 702	
<i>Remuneration of Councillor: A.M. Slabbert</i>			
Annual Remuneration	151 372	142 804	
Telephone Allowance	20 868	20 868	
Travelling	50 457	47 601	
Tools of trade	3 600	3 600	
Total	226 297	214 873	
<i>Remuneration of Councillor: D.E. Welgemoed</i>			
Annual Remuneration	132 466	124 695	
Telephone Allowance	20 868	20 868	
Travelling	50 457	47 601	
Tools of trade	3 600	3 600	
Pension	18 906	18 109	
Total	226 297	214 873	
<i>Remuneration of Councillor: A.D. Willemse</i>			
Annual Remuneration	151 372	142 804	
Telephone Allowance	20 868	20 868	
Travelling	50 457	47 601	
Tools of trade	3 600	3 600	
Total	226 297	214 873	
<i>Remuneration of Councillor: G.T. Murray</i>			
Annual Remuneration	201 829	190 405	
Telephone Allowance	20 868	20 868	
Tools of trade	3 600	3 600	
Total	226 297	214 873	
<i>Remuneration of Councillor: R. vd Linde</i>			
Annual Remuneration	151 372	142 804	
Telephone Allowance	20 868	20 868	
Travelling	50 457	47 601	
Tools of trade	3 600	3 600	
Total	226 297	214 873	
<i>Remuneration of Councillor: L. Deyce</i>			
Annual Remuneration	176 622	166 260	
Telephone Allowance	20 868	20 868	
Tools of trade	3 600	3 600	
Pension	25 207	24 145	
Total	226 297	214 873	
<i>Remuneration of Councillor: E.A.J. Beyers</i>			
Annual Remuneration	446 407	138 468	
Telephone Allowance	20 868	17 390	
Tools of trade	3 600	3 000	
Pension	63 772	20 203	
Total	534 646	179 061	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
29	REMUNERATION OF COUNCILLORS (CONTINUED)		
	<i>Total Remuneration of Councillors</i>		
	Annual Remuneration	3 035 157	2 633 267
	Telephone Allowance	271 283	271 284
	Travelling	676 321	711 371
	Tools of trade	46 800	46 800
	Pension	289 302	193 163
	Medical	41 432	37 850
	Total	4 360 296	3 893 735
	<i>In-kind Benefits</i>		
	The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
30	DEBT IMPAIRMENT		
	Trade Receivables from exchange transactions - Note 20	29 015 797	20 414 987
	Other Receivables from non-exchange transactions - Note 21	11 105 244	6 802 314
	Total Contribution to Impairment Provision	40 121 041	27 217 301
31	DEPRECIATION AND AMORTISATION		
	Depreciation PPE	14 457 253	13 494 981
	Depreciation Investment Properties	266 355	266 355
	Depreciation Capitalised Restoration Cost	223 693	172 950
	Amortisation	96 889	90 620
	Total depreciation and amortisation expenditure	15 044 189	14 024 906
32	IMPAIRMENTS		
	Property Plant & Equipment	-	10 527 800
	Investment Properties	-	466 582
	Capitalised Restoration Cost	3 170 956	-
	Total Impairments	3 170 956	10 994 382
33	REPAIRS AND MAINTENANCE		
	Repairs and maintenance expenditure per vote		
	Executive & Council	2 471	3 631
	Budget & Treasury	202 825	341 005
	Corporate Services	1 175 765	1 022 096
	Planning & Development	109 448	130 653
	Community & Social Services	598 952	497 731
	Housing	214 768	267 569
	Public Safety	486 619	571 849
	Sport & Recreation	1 368 216	1 678 024
	Waste Management	1 964 100	2 092 404
	Waste Water Management	553 699	454 553
	Road Transport	3 091 529	3 245 667
	Water	3 435 732	2 436 173
	Electricity	4 939 078	4 666 913
	Total repairs and maintenance expenditure	18 143 202	17 408 268
34	FINANCE CHARGES		
	Long-term Liabilities	1 660 137	1 816 146
	Finance leases	325 383	294 960
	Post Retirement Charges	2 333 505	1 939 570
	Overdraft Facilities	134 364	36 050
	Total finance charges	4 453 389	4 086 726

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
35	BULK PURCHASES		
	Electricity	44 106 353	41 331 461
	Water	5 808 133	5 058 405
	Total Bulk Purchases	49 914 486	46 389 866
	Stock Adjustments	(6 556 224)	(7 323 581)
	Total Bulk Purchases excluding Stock Adjustments	43 358 262	39 066 285
36	CONTRACTED SERVICES		
	Accountancy Services	349 937	1 256 837
	Finance Management Grant	521 845	392 682
	IDP PAWK	112 597	63 000
	SDBIP	166 452	462 611
	Security Services	3 051 405	2 195 348
	Speed Camera	3 667 025	6 570 444
	Valuation cost	129 990	598 899
	Total Contracted services	7 999 251	11 539 821
37	GRANTS AND SUBSIDIES		
	Donations	64 452	60 000
	Total Grants and Subsidies	64 452	60 000
38	GENERAL EXPENSES		
	Advertisement Costs	326 215	235 450
	Banking Charges	326 537	593 170
	Bursaries	166 131	363 773
	Community Development Workers	303 565	306 859
	Organisations	1 356 413	1 042 140
	Insurance	1 182 970	1 010 157
	Asset Management Plan	90 773	28 906
	Licences/ Agreements	1 515 733	1 242 469
	Printing & Stationary	816 517	842 767
	Subsistence & Travel	1 171 067	1 185 207
	Audit fees	2 244 837	1 811 077
	Telephone Costs	1 438 154	1 429 982
	Training Costs	475 684	139 987
	Water service development program	113 539	110 484
	Ward Committee	618 063	579 038
	Transfer existing housing	-	3 876
	Vehicle Cost	333 200	73 827
	Postage	457 416	509 394
	Digging of graves	200 694	211 671
	Job Creation	443 432	520 154
	Legal expenses	86 693	465 028
	Rental Fees	1 126 164	223 569
	Deeds Registrations	11 623	10 551
	Mayoral Golf Tournament	48 247	50 278
	Public Functions	57 589	57 242
	Publicity	15 795	11 235
	Tracking Device	80 425	197 481
	Deficit Rental Mun. Dwelling	181 729	27 036
	Licences Vehicles	185 531	134 256
	Consulting Fees	274 987	702 655
	Memorial Services	-	100 000
	Collection Charges	56 949	235 932
	SCOA Implementation	46 965	200 871
	Refuse Bins	-	131 200
	Basic service delivery rebates	563 841	830 210
	Youth and gender	15 670	15 172
	Literacy Program	20 918	6 746
	Housing	3 195 586	28 573 434
	Electricity network	19 256 399	2 809 243
	MIG PMU	69 051	36 251
	Other expenditure	1 115 009	974 048
	General Expenses	39 990 111	48 032 826

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial Performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		Notes	2014 R
39	CORRECTION OF ERROR IN TERMS OF GRAP 3		
39.01	Changes to Statement of Financial Performance		
	Balance previously reported		
	Correction of error - depreciation written back on asset not disposed during 2013/14		4 892 553
	Correction of error - asset no 3484 written-off during 2013/14 not disposed		2 468
	Correction of error - asset no 3484 written-off during 2013/14 not disposed depreciation written back		(62 287)
	Correction on calculation of depreciation as at 2013/2014		4 153
	Total		(1 445)
			4 835 443
39.02	Accumulated Surplus/(Deficit)		
	Balance previously reported		
	Correction on calculation of accumulated depreciation as at 30 June 2013		331 487 805
	Correction of error - Erf 7413 recognised as PPE as well as Investment Property	39.03	(8 670)
	Correction of error - Erven not previously recognised in Fixed Asset Register	39.03	(146 600)
	Correction of error - Erven previously wrongly recognised in Fixed Asset Register	39.03	125 500
	Correction of error - Community Assets previously wrongly recognised in Fixed Asset Register	39.03	(1 310 050)
	Recognition of assets for the first time as at 30 June 2013	39.03	(236 899)
	Heritage assets valued	39.04	5 005 100
	Total		2 254 356
			337 170 541
39.03	Property, plant and equipment		
	Balance previously reported		
	Correction on calculation of accumulated depreciation as at 30 June 2013	39.02	371 670 337
	Correction of error - Erf 7413 recognised as PPE as well as Investment Property	39.02	(8 670)
	Correction of error - Erven not previously recognised in Fixed Asset Register	39.02	(146 600)
	Correction of error - Erven previously wrongly recognised in Fixed Asset Register	39.02	125 500
	Recognition of assets for the first time as at 30 June 2013	39.02	(1 310 050)
	Correction on calculation of depreciation as at 2013/2014	39.01	(236 899)
	Total		(1 445)
			375 334 172
39.04	Heritage assets		
	Balance previously reported		
	Heritage assets valued	39.02	2 970 644
	Total		2 254 356
			5 225 000
39.05	Trade Receivables from exchange transactions		
	Balance previously reported		
	Correction of error of exchange transactions wrong disclosed as non-exchange in 2014. Note 20	39.06	15 117 729
	Total		4 234 862
			19 352 591
39.06	Other receivables from non-exchange transactions		
	Balance previously reported		
	Correction of error of exchange transactions wrong disclosed as non-exchange in 2014. Note 21	39.05	14 970 281
	Total		(4 234 862)
			10 735 419
40	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
	Surplus for the year		83 361 061
	Adjustments for:		4 835 444
	Depreciation		14 947 304
	Amortisation of Intangible Assets		96 889
	(Gain)/Loss on disposal of property, plant and equipment		841 434
	Contributed PPE		(52 296 307)
	Impairments		3 164 984
	Contribution from/to employee benefits - non-current		(1 329 963)
	Contribution from/to employee benefits - non-current - expenditure incurred		3 403 259
	Contribution from/to employee benefits - non-current - actuarial losses		(216 003)
	Contribution from/to provisions - non-current		3 925 345
	Contribution to employee benefits - current		4 509 555
	Contribution to employee benefits - current - expenditure incurred		(4 089 072)
	Contribution to provisions - Debt Impairment		40 121 041
	Impairment written off		(3 695 528)
	(Increase)/Decrease in Capitalised Restoration Cost		(3 627 969)
	Additional debt Impairment transactions		2 958
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts		(2 426 230)
	Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts		6 903
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts		(943 941)
	Operating lease income accrued		(4 188)
	Operating Surplus/(Deficit) before changes in working capital		85 751 533
	Changes in working capital		(43 467 155)
	Increase/(Decrease) in Trade and Other Payables		6 256 807
	Increase/(Decrease) in Taxes		(2 209 984)
	(Increase)/Decrease in Inventory		(200 210)
	Increase/(Decrease) in Consumer Deposits		88 534
	(Increase)/Decrease in Trade Receivables from exchange transactions		(8 914 855)
	(Increase)/Decrease in Other Receivables from non-exchange transactions		(38 487 447)
	Cash generated/(absorbed) by operations		42 284 378
			25 616 091

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R				
41	CASH AND CASH EQUIVALENTS						
	Cash and cash equivalents included in the cash flow statement comprise the following:						
	Call Investments Deposits - Note 23	15 036 387	9 332 328				
	Cash Floats - Note 23	12 230	12 070				
	Bank - Note 23	-	2 592 738				
	Bank overdraft - Note 23	<u>(1 932 245)</u>	-				
	Total cash and cash equivalents	<u>13 116 372</u>	<u>11 937 136</u>				
42	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES						
	Cash and Cash Equivalents - Note 41	13 116 372	11 937 136				
	Less:						
	Unspent Committed Conditional Grants - Note 10	4 709 333	7 135 563				
	Unspent Public Contribution - Note 11	145 955	139 052				
	Unpaid Committed Conditional Grants - Note 10	(1 614 319)	(670 378)				
	Staff Leave - Note 7	4 223 673	4 016 026				
	VAT - Note 12	(6 444 459)	(3 932 014)				
	Cash Portion of Housing Development Fund - Note 2	219 642	218 612				
	Net cash resources available for internal distribution	11 876 547	5 030 275				
	Allocated to:						
	Capital Replacement Reserve	10 491 152	4 849 606				
	Resources available for working capital requirements	<u>1 385 395</u>	<u>180 669</u>				
43	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION						
	Long-term Liabilities - Note 3	15 310 401	18 078 846				
	Used to finance property, plant and equipment - at cost	<u>(15 310 401)</u>	<u>(18 078 846)</u>				
		<u><u>-</u></u>	<u><u>-</u></u>				
	Annuity loans at amortised cost is calculated at 8.6%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.						
44	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2015 R	2014 R				
44.1	<u>Unauthorised expenditure</u>						
	Reconciliation of unauthorised expenditure:						
	Opening balance	47 144 485	38 748 627				
	Unauthorised operating expenditure current year	12 653 211	43 251 373				
	Unauthorised capital expenditure current year	15 834 742	3 893 112				
	Approved by Council or written off	<u>(47 144 485)</u>	<u>(38 748 627)</u>				
	Unauthorised expenditure awaiting further action	28 487 953	47 144 485				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Incident</th> <th style="text-align: left; padding: 2px;">Disciplinary steps/criminal proceedings</th> </tr> </thead> <tbody> <tr> <td style="text-align: left; padding: 2px;">Actual vs Budgeted spending</td> <td style="text-align: left; padding: 2px;">None</td> </tr> </tbody> </table>	Incident	Disciplinary steps/criminal proceedings	Actual vs Budgeted spending	None		
Incident	Disciplinary steps/criminal proceedings						
Actual vs Budgeted spending	None						
		2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)		
	<u>Unauthorised expenditure current year - operating</u>						
	Executive & Council	14 699 784	15 249 635	(549 851)	-		
	Budget & Treasury	17 671 784	17 384 394	287 390	287 390		
	Corporate Services	15 106 547	14 221 469	885 078	885 078		
	Planning & Development	4 115 242	5 328 311	(1 213 069)	-		
	Community & Social Services	7 662 600	8 978 039	(1 315 439)	-		
	Housing	4 504 270	6 581 217	(2 076 947)	-		
	Public Safety	44 838 934	38 055 904	6 783 030	6 783 030		
	Sport & Recreation	6 243 899	6 549 937	(306 038)	-		
	Waste Management	16 231 199	12 301 598	3 929 601	3 929 601		
	Waste Water Management	8 215 969	7 447 857	768 112	768 112		
	Road Transport	19 043 338	21 043 140	(1 999 802)	-		
	Water	20 486 450	20 899 901	(413 451)	-		
	Electricity	80 040 893	90 107 547	(10 066 654)	-		
	Other	<u>-</u>	<u>331 738</u>	<u>(331 738)</u>	<u>-</u>		
		<u>258 860 909</u>	<u>264 480 687</u>	<u>(5 619 778)</u>	<u>12 653 211</u>		

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

<u>Unauthorised expenditure current year - capital</u>	2015 R (Actual)	2015 R (Budget)	2015 R (Variance)	2015 R (Unauthorised)
Executive & Council	11 193	23 500	(12 307)	-
Budget & Treasury	194 575	98 800	95 775	95 775
Corporate Services	959 346	954 200	5 146	5 146
Planning & Development	26 173	66 148	(39 975)	-
Community & Social Services	520 406	12 609 033	(12 088 627)	-
Housing	4 529	18 000	(13 471)	-
Public Safety	166 272	91 890	74 382	74 382
Sport & Recreation	336 813	2 927 750	(2 590 937)	-
Waste Management	130 020	976 996	(846 976)	-
Waste Water Management	15 841 208	2 570 329	13 270 879	13 270 879
Road Transport	8 043 816	10 489 011	(2 445 195)	-
Water	1 539 495	2 735 895	(1 196 400)	-
Electricity	12 726 350	10 337 792	2 388 558	2 388 558
	40 500 198	43 899 344	(3 399 146)	15 834 742

44	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)	2015 R	2014 R
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44.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance			
Fruitless and wasteful expenditure current year		159 670	-
Written off by Council		-	-
Transfer to receivables for recovery - not written off		-	-
Fruitless and wasteful expenditure awaiting further action		159 670	-

Incident	Disciplinary steps/criminal proceedings
During the year under review it was discovered that some cell phone accounts of former employees and councillors are still debited against the municipality's bank account	None
During the year under review it was discovered that debit orders were going off against the municipality's bank account for payments to Homechoice, Multichoice, Truworths, etc	None

44.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance		35 000	16 264
Irregular expenditure prior years		15 321 593	-
Irregular expenditure current year		550 134	35 000
Written off supported by Council		-	(16 264)
Transfer to receivables for recovery - not written off		-	-
Irregular expenditure awaiting further action		15 906 727	35 000

Incident	Disciplinary steps/criminal proceedings
2012 - Suppliers identified as having members/ directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170	None
2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094	None
2014 - Open tender request sent after event. R35 000	None
2015 - SCM procedures not followed current year. R550 134.06	None
Irregular Expenditure incurred into Contracting for Traffic Services.	
2011/2012 Financial Year - R3 025 588.67	
2012/2013 Financial Year - R5 725 559.70	
2013/2014 Financial Year - R6 570 444.36	None

44.4 Material Losses

Electricity distribution losses

Units purchased (Kwh)	55 426 999	56 524 586
- Units lost during distribution (Kwh)	4 566 252	6 488 858
- Percentage lost during distribution	8.24%	11.48%

Water distribution losses

Kilotres purified	2 764 904	2 603 153
- Kilotres lost during distribution	1 391 276	1 327 126
- Percentage lost during distribution	50.32%	50.98%

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT			
45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS			
Opening balance		782 675	627 076
Council subscriptions		(782 675)	(627 076)
Amount paid - current year			
Balance unpaid (included in creditors)		-	-
45.2 Audit fees - [MFMA 125 (1)(c)]			
Opening balance		2 244 837	1 811 077
Current year audit fee		2 244 837	1 811 077
External Audit - Auditor-General		(2 244 837)	(1 811 077)
Amount paid - current year			
Balance unpaid (included in creditors)		-	-
45.3 VAT - [MFMA 125 (1)(c)]			
VAT		(6 444 459)	(3 932 014)
VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.			
45.4 PAYE, SDL and UIF - [MFMA 125 (1)(c)]			
Opening balance		565 172	536 345
Current year payroll deductions and Council Contributions		8 499 151	7 430 456
Amount paid - current year		(8 287 541)	(7 401 629)
Balance unpaid (included in creditors)		776 782	565 172
45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]			
Opening balance		13 648 703	12 139 114
Current year payroll deductions and Council Contributions		(12 681 475)	(12 139 114)
Amount paid - current year			
Balance unpaid (included in creditors)		967 228	-
45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]			
The following Councillors had arrear accounts for more than 90 days at 30 June 2015 financial year:			
		2015 R	2014 R
		Outstanding more than 90 days	Outstanding more than 90 days
Councillor L Deyse (510271/000768)		3	3
Councillor M Furmen (023379/023380)		-	884
Councillor R van der Linde (070128/020003)		-	250
Total Councillor Arrear Consumer Accounts		3	1 137
45.7 Quotations awarded - Supply Chain Management			
Supply Chain Management Implementation Report for the year ended 30 June 2015 and Supply Chain Management Regulation 45 disclosure:			



MUNISIPALITEIT - MUNICIPALITY - U MASIPALA WASE

BEAUFORT-WES - BEAUFORT WEST - BHOBHOFOLO

DEPARTEMENT: FINANSIELE DIENSTE : DEPARTMENT: FINANCIAL SERVICES

Verwysing Reference	6/1/1/1	Privaatsak/Private Bag 582 Faks/Fax (023) 4148105 Tel. (023) 4148100
Navrae Enquiries	S.A Pothberg	E-pos: treasury@beaufortwestmun.co.za Kerkstraat 15 Church Street Beaufort-Wes Beaufort West Bhobhofolo 6970
Imibuzo Date Umhla	2014.10.09	

Memorandum to the Municipal Manager

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 1st QUARTER: 01 JULY – 30 SEPTEMBER 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the quarter, 01 July till 30 September 2014.

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2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Beaufort West Luxury Coaches	16/07/2014 25/09/2014	15049937 15053971	R 4 300.00 R 3 000.00	❖ Son, Warren Johnson, is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community Safety.
Karoo Motors Werkswinkel	25/08/2014	15050942	R 127 000.56	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services

General Shine Catering	24/07/2014	15050117	R 4 000	❖ Husband, Mr Diedericks, is currently employed by Department of Community Services as a traffic officer.
Wilma's Catering Services	09/09/2013	15051499	R 7 810.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
Avril's Catering	18/09/2014	15047073	R 2 520.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
PJ Sound & Vision	04/08/2014		R 6 500.00	❖ Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: “The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

- ❖ **There are no minor breaches to be reported for period 01 July till 30 September 2014.**

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

.....
DIRECTOR: FINANCIAL SERVICE

Addendum 1

FORMAL WRITTEN QUOTATIONS AND BIDS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 26/2014	Upgrading Pieter street Main contractor	❖ CAL Construction ❖ De Jagers Loodgieters ❖ A & R Enterprises ❖ Benver Civils ❖ Trucon ❖ UrhweboE-transand	❖ R3 785 407.67 ❖ R3 210 383.93 ❖ R3 520 011.92 ❖ R4 322 516.63 ❖ R3 032 931.07 ❖ R5 819 295.68	❖ Trucon	
SCM 26/2014	Nominated sub-contractor for the upgrading of Pieter street	❖ WM workers ❖ Q&K Projects ❖ REA Civils General Construction ❖ Flashcor 146CC ❖ EL-Channun Trading ❖ C & M & JG's Projects	❖ R261 707.29 ❖ R234 300.78 ❖ R403 670.00 ❖ R264 740.49 ❖ R2 671 871.50 ❖ R326 828.88	❖ WM Workers- R145 217.65 ❖ Q&K Projects- R122 806.22	It was recommended that both bidders be appointed for project, to minimise the risk factor for the successful completion of tender.
SCM 28/2014	Supply and delivery of tyres, tubes, wheel alignment and tyre repair services	❖ Erasmus Tyre Services CC ❖ Trentyre ❖ Supa Quick	❖ R146 002.00 ❖ R137 562.00 ❖ R137 928.00	❖ Trentyre	
SCM 02/2015	Supply & Installation of mechanical & electrical borehole pumping equipment for Nelspoort	❖ De Jagers Loodgieters ❖ Hydro-Tech systems ❖ Viking Pony Africa ❖ Xylen Water solutions	❖ R1 254 369.93 ❖ R1 440 583.92 ❖ R1 352 174.41 ❖ R1 255 330.23	❖ De Jagers Loodgieters R1 265 393.84	

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	Jirah Construction	R 34 458,00	22/07/2014	Emergency cleaning of sewer pipes at Spoornet & Peper ave- health risk for community
		Beaufort Wes Lugreeling & verkoeling	R 2 644,80	18/07/2014	Repair Merweville's Morque air conditioner in Merweville
(b)	Sole Supplier	Elster Kent Metering	R 379 904,62	10/07/2014	Sole manufacturer & supplier of Elster meters & strainers
		Karoo Fire	R 2 050,00	18/07/2014	Only service provider locally to supply & service fire extinguishers
		Juta & Company (Pty)Ltd	R 6 442,00	07/07/2014	Updated legislation books
		Maccaferi Southern Africa	R 4 903,00	28/07/2014	Manufacturer of gabions
		Beaufort Alarms	R 5 101,50	09/07/2014	Only supplier locally that supply, install and monitor alarm systems
		MC Ellis	R 54 000,00	30/07/2014	Only supplier locally that can make locks and has the template to make the master locks
		Integrity control systems	R 6 634,80	30/07/2014	Sole manufacturer of security seals
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Beaufort West Luxury coaches	R 4 300,00	07/07/2014	Transport of soccer players & staff to Victoria West & back
		Essops Multisave	R 3 317,50	18/07/2014	Supplier willing to deliver on account- Coke for the Beaufort West Marathon
		SM Consultants	R 12 750,00		Service provider for the distribution of traffic summonses
		General Shine Catering	R 4 000,00	24/07/2014	Catering for Mandela day function
		Ultra Liquors	R 2 048,75	24/07/2014	Refreshment for Mandela day function
(d(v))	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Marias Muller Yekiso	R 25 194,00	25/07/2014	Get an opinion on Council members order rules, code of conduct for corruption policy.
		Crawfords Attorneys	R 5 769,54		
			R 4 104,00		Local official law practitioner handling the transportations
		Ignite	R 18 650,00	01/07/2014	Performance agreements & performance evaluations

(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 8 214,38 R 6 982,23	09/07/2014	Advertisements SCM 01/2015 (Training) & SCM 02/2015(Borehole pump)
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 32 311,00	23/07/2014	Prodiba is a government preferred service provider
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Beaufort West Precision Motor Engineers	R 2 925,24	15/07/2014	CZ 4118 - Recondition prop shaft
		Barloworld	R 30 893,09	29/07/2014	CZ 5291 , CZ 8782, CZ 7713 - 3 sets of blades required
		Teleray	R 4 332,00	09/07/2014	Installation and maintenance of tv towers in Murraysburg
		SA Leak detection Distributors	R 2 850,00	21/07/2014	Repair to Seba HLE90 Ground Mic

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	B&B sweiswerke	R 5 643,00	12/08/2014	Sole local supplier that boreholes can drag and drop
		Karoo Vleisboere Koop	R 5 956,89	12/08/2014	Sole local supplier in Murraysburg that can supply stock
		Penny Pinchers	R 2 883,34	15/08/2014	Sole local supplier that can supply stock
		PG Glass	R 3 839,52	27/08/2014	Sole local supplier that can supply the glass and fit it.
		Actebis	R 8 561,40	26/08/2014	Sole supplier to remove hazards waste.
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Youngs Halfway House	R 11 250,00	20/08/2014	Secluded accommodation for golfers for Mayoral golf day
		Fountains Hotel	R 2 820,00	18/08/2014	Nearest accommodation to venue for Councilor G.De Vos
		Sebata Municipal Solutions	R 559 939,84	25/07/2014	License fees for Financial Management System service provider
		Ignite Advisory Services	R 16 209,38	20/08/2014	Assist the BWM with the compilation of the annual reports 14/15 financial year.
			R 27 324,38		Compilation of performance and annual reports
			R 73 986,00		
		Alusani Skills & Training Network	R 6 838,86	26/08/2014	Effective construction contract management & administration for Director Engineering Services to obtain credits for performance management

(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Crawfords Attorneys	R 15 972,00	14/08/2014	Local official law practitioner handling the transportations
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 160,79	22/08/2014	Advert SCM 05/2015 Tag surveillance system Murraysburg & Nelspoort Libraries
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 4 107,00	22/08/2014	Prodiba is a government preferred service provider
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Precision Engineers	R 9 135,96	13/08/2014	CZ 3906 - Specialized service, sole local supplier
		George Lawnmowers	R 9 067,56	13/08/2014	Service and repair roller mower
		Ian Dickie	R 4 142,80	13/08/2014	Specialized service, sole local supplier
		Precision Engineers	R 7 234,44	29/08/2014	CZ 1422 - tractor accident damage, specialized services needed
			R 59 457,84	21/08/2014	CZ 5945 - Watertruck - specialised services required, sole local supplier

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Spectrum Communications	R 133 389,12	12/09/2014	Sole supplier to repair telemetry system
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	SM Consultants	R 18 300,00	11/09/2014	Service provider for the distribution of traffic summonses
		Tango civil & plant hire CC	R 3 420,00	03/09/2014	Only available supplier that could rent forklifter to municipality on a monthly basis for recycling needs.
		Harvey World Travel Group	R 9 876,00	16/09/2014	Flight tickets for Mr J Booyens and Mr T Prince for Presidential Local Summit
		B & B Sweiswerke	R 5 942,00	03/09/2014	Only supplier locally that can pull & drop borehole pumps
		Trucon	R 13 680,00	04/09/2014	Only available local supplier that have a bulldozer for hire
		Penny Pinchers	R 25 544,51	10/09/2014	Only available local provider in Beaufort West that has materials in stock
			R 2 395,37	10/09/2014	
(d)(v)	The appointment of any person to	SB Naidu	R 4 174,68	16/09/2014	Balju services in Beaufort west

	provide professional advice or services is less than R200 000 or any greater amount	Ignite Advisory	R 27 521,03	10/09/2014	Performance Management Service Provider
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 160,79	23/09/2014	Tender adverts SCM 08/2015 Upgrading of Fabriek street
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	George Lawnmowers	R 2 465,39	01/09/2014	Repair pressure spray
		Stationery Dot com	R 2 746,00	30/09/2014	Only local service provider to refurbish UPS'e
		George Lawnmowers	R 27 555,11	16/09/2014	Repair of Prof Honda CYL Mower - fit parts, drain oil, back lap cylinder
		R & S Communications	R 3 032,43	29/09/2014	Repair of hand radios

Ratified on:

Ratified by:

J.Booysen

Municipal Manager

Signed:



MUNISIPALITEIT - MUNICIPALITY - U MASIPALA WASE

BEAUFORT-WES - BEAUFORT WEST - BHOBHOFOLO

DEPARTEMENT: FINANSIELE DIENSTE : DEPARTMENT: FINANCIAL SERVICES

Verwysing Reference	6/1/1/1	Privaatsak/Private Bag 582 Faks/Fax (023) 4148105 Tel. (023) 4148100
Navrae Enquiries Imibuzo	S.A Pothberg	E-pos: treasury@beaufortwestmun.co.za Kerkstraat 15 Church Street Beaufort-Wes Beaufort West Bhobhofolo 6970
Datum Date Umhla	2015.01.09	

Memorandum to the Municipal Manager

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 2nd QUARTER: 01 OCTOBER – 31 DECEMBER 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the quarter, 01 October till 31 December 2014.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
PJ Sound & Vision	22/10/2014 08/11/2014 03/11/2014	141025 15053019	R 7 500.00 R 10 000.00 R 7 500.00	❖ Sons, Mr. PJ Julies and Mr. J.Julies is employed as Vehicle Inspections & Traffic Officer and machine operator at electrical and traffic services at the Beaufort West Municipality
Karoo Motors Werkswinkel	31/10/2014 25/11/2014 23/12/2014	15052921 15053451 15054605	R 73 416.00 R 75 861.30 R 75 354.00	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services

Klicon Consultancy		Competitive bid	R4 485 000.00	❖ Brothers, R Klink and S Jooste are currently employed at Beaufort West Municipality and Central Karoo District Municipality.
Karoo Drukkery	05/11/2014	15053125	R 8 270.00	❖ Wife, Mrs. S Munro is employed at the Department of Health.
B Chalmers	03/11/2014	15053025	R 2 700.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Avril's Catering	11/11/2014	15053227	R 2 475.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
Sonneblom Bloemiste	03/11/2014	15053022	R 3 800.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
B&B Sweiswerke	06/10/2014 04/11/2014 28/11/2014 28/11/2014 12/12/2014 01/11/2014 02/12/2014	15052265 15053090 15053702 15053702	R 6 539.00 R 5 942.00 R 3 545.00 R 2 437.00 R 3 950.00 R 3 300.00 R 199 321.00	❖ Son, Mr A.C Du Plessis is currently employed by Department of Education as a teacher.
Ingozi Construction & General Services	26/08/2014 24/11/2014	15051297 15053714	R 2 800.00 R 7 860.00	❖ Spouses, Mr. F Pieters and Mr. B Visser is currently employed at the Beaufort West Municipality.
Karoo Drukkery	05/11/2014	15053125	R 8 270.00	❖ Wife, Mrs. S Munro is employed at the Department of Health.
B Chalmers	03/11/2014	15053025	R 2 700.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

❖ **There are no minor breaches to be reported for period 01 October till 31 December 2014.**

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

.....
DIRECTOR: FINANCIAL SERVICE

Addendum 1

FORMAL WRITTEN QUOTATIONS AND BIDS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 01/2015	Request for proposals: Implementation, training & support for short skill construction & apprentices.	<ul style="list-style-type: none"> ❖ Africa skills fet college ❖ Tjeka ❖ Klicon consultancy ❖ Industries Education & training Institute ❖ Further education trade training 	<ul style="list-style-type: none"> ❖ R4 000 000.00 ❖ R6 280 000.00 ❖ R4 485 000.00 ❖ R4 375 000.00 ❖ R1 470 000.00 	Klicon Consultancy	
SCM 04/2015	Request for proposals: Raising of external Loans	<ul style="list-style-type: none"> ❖ Nedbank ❖ Standard Bank ❖ FNB Bwest ❖ Absa 	<ul style="list-style-type: none"> ❖ R3 140 290.80 ❖ R4 092 639.28 ❖ R3 228 894.00 ❖ R3 855 128.26 	Nedbank	
SCM 05/2015	Supply, delivery, installation and maintenance of tag surveillance system for Murraysburg en Nelspoort Libraries	<ul style="list-style-type: none"> ❖ Tag Tron Solutions ❖ CSX Customer Services 	<ul style="list-style-type: none"> ❖ R194 459.66 ❖ R320 447.89 	Tag Tron Solution	
SCM 06/2015	Transportation of gravel	<ul style="list-style-type: none"> ❖ Perfecto Builders ❖ KNK Construction ❖ I Kaptein 	Unit prices per 2, 3 and 5m were requested.	KNK Konstruksie	
Tender 99-13/14	Transversal agreement Mosselbaai Municipality: Makukhane Consulting Engineers for 3 years July 2014- June 2017	<ul style="list-style-type: none"> ❖ Makukhane Consulting Engineers 	Consultant will be used for different electrical projects	Makukhane Consulting Engineers	
SCM 34/2011	Professional Services; Occupational Health And Safety	<ul style="list-style-type: none"> ❖ Integrated Safety and Health Systems 			Contract was awarded to ISHS for 3 year period, contract has expired and contract has been extended on a month to month period.
SCM 08/2015	Upgrading of Fabriek street	<ul style="list-style-type: none"> ❖ Tirhani Construction ❖ Funda Civils ❖ De Jagers 	<ul style="list-style-type: none"> ❖ R2 165 644.32 ❖ R2 223 000.00 ❖ R2 323 143.30 	Tender will be cancelled to insufficient funding	

		<ul style="list-style-type: none"> ❖ Trucon ❖ Kholwani ❖ Investments 	<ul style="list-style-type: none"> ❖ R2 583 908.04 ❖ R1 790 793.85 		
SCM 09/2015	Supply and delivery of one new high velocity sewer jet	<ul style="list-style-type: none"> ❖ ITS Simply Clean ❖ Ian Dickie & Co ❖ Umsowethu Africa Trading ❖ Shorts Nissan ❖ Werner SA Pumps & Equipment 	<ul style="list-style-type: none"> ❖ R339 720.00 ❖ R237 804.00 ❖ R265 004.40 ❖ R259 954.20 ❖ R268 627.32 	Werner SA Pumps & Equipment	
SCM 10/2015	Maintenance, Repairs, Services & Auto Electrical Work of Vehicle Fleet as well as hydraulic and engineering repairs for a period of 3 years	<ul style="list-style-type: none"> ❖ Beaufort West Auto Electrical ❖ Faimel Auto Electrical & Spares ❖ 24/7 Tyre & Fitment ❖ B-wes Presisie Motor Ingenieurs ❖ Karoo Motors Werkwinkel 	<ul style="list-style-type: none"> ❖ Bidders were requested to provide a tariff for the repairs and maintenance of fleet 		
SCM 11/2015	Supply and delivery of assembled IT hardware	<ul style="list-style-type: none"> ❖ Procon It solutions ❖ First Technology ❖ Brilliant Computers ❖ Mantella 	<ul style="list-style-type: none"> ❖ 1.R 522 065.00 ❖ 2.R537 065.00 ❖ R507 362.70 ❖ R511 180.00 ❖ R185 475.92 	<ul style="list-style-type: none"> ❖ Brilliant Computers ❖ First Technology ❖ Mantella 	R363 591.00 R140 405.10 R89 578.50
Tender 104/13	Transversal agreement: Saldanah Bay Municipality: Supply and delivery of Electrical equipment and material for the period 01 April 2014 – 30 March 2017	<ul style="list-style-type: none"> ❖ Aberdare Cables ❖ WCC Cables ❖ Electro Vroomen ❖ Electro Inductive Industries (pty) ltd ❖ Itron (pty) Ltd ❖ Zonart Distribution ❖ Siyaphambili Electrical & Industrial supplies CC ❖ Powerrec (Pty) LTd ❖ ABB (Pty) Ltd ❖ Patch Industrial (Pty) LTd 			

		<ul style="list-style-type: none">❖ Supreme Electrical Supplies❖ Park Boulevard Trading 35 CC❖ Alsu Enterprises❖ Landis & Gyr			
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Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR OCTOBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	Karoo Lugreeling en Verkoeling	R 4 776,60	21/10/2014	Merweville morgue's refrigerator was defective, supplier repaired it
(b)	Sole Supplier	Afrox	R 2 144,48	01/10/2014	Sole manufacturer of oxygen & acetylene products
		Landis & Gyr	R 26 334,00	16/10/2014	Manufacturer of electricity meters
		Spectrum Communications	R 138 439,30	01/10/2014	Sole supplier to repair telemetry system
		Karoo Fire	R 3 975,00	13/10/2014	Service of fire extinguisher at Fire department
		Elster Kent Metering	R 29 039,22	27/10/2014	Sole supplier of Elster Kent meters to upgrade computer software
			R 271 716,28	23/10/2014	Sole supplier of Elster Kent meters
©	Acquisition of special works of art or historical objects where specifications are difficult to compile	Woodhead's	R 20 086,04	15/10/2014	The municipality donated the money to Mr L Simelani from Arts & Craft to buy raw materials to make products
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Red Canyon Spur	R 13 061,10	08/10/2014	Women's day celebration at Spur was the only facility to accommodate such a large number of people
		Saligna Spray Services	R 2 548,40	22/10/2014	Sole supplier selling the gulf diazinon poison (Killer insect)
		Best home & Electric	R 8 799,90	27/10/2014	Supplier has given Municipality a donation/special discount prices for Mayoral Golf day
		Ultra Liquors	R 3 300,85	24/10/2014	Only available supplier registered that could supply on account
		Booysens Funerals	R 2 584,00	28/10/2014	Indigent funeral financial assistance to bury Lena Olifant, financial constraints in family
		SM Consultants	R 17 850,00	15/10/2014	Service provide for the distribution of traffic summonses.
			R 15 150,00	17/10/2014	
		The Engravers	R 5 985,00	15/10/2014	Mayoral Golf day trophies, manufacture and engraving
		PJ Sounds	R 7 500,00	22/10/2014	Provide sound, stage & photography for mayoral golf day
		Penny Pinchers	R 5 729,39	30/10/2014	Only available local supplier of building materials
		Trentyre	R 3 480,00	30/10/2014	Only local supplier that can provide for Willard batteries for vehicles.

		Arabella Hotel & Spa	R 3 000,00	27/10/2014	Conference was held at this hotel and Provincial Treasury made arrangements for discounted rates
		Alive to green	R 11 400,00	07/10/2014	Sole supplier of the water resource handbook
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Crawfords Attorneys	R 15 742,50	09/10/2014	Local official law practitioner handling the transportations
		Ignite Advisory Services	R 20 729,48	09/10/2014	Performance Management system service provider
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 4 107,21	31/10/2014	SCM 12/2015 - Upgrading of Murraysburg Streets
			R 4 107,21	31/10/2014	SCM 13/2015 - Upgrading of Dliso & Matshaka Streets
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	High Pressure Systems	R 2 701,00	08/10/2014	HPS is the supplier where the equipment was bought for service and repairs
		Cape Mowers CC	R 2 603,36	14/10/2014	Agent that can supply parts
		George Lawnmowers	R 2 945,76	15/10/2014	Agent that can supply parts. It is uneconomical to send the machine to other suppliers.
			R 2 401,64	30/10/2014	
			R 4 213,82	30/10/2014	
			R 6 400,39	30/10/2014	
			R 2 062,55	30/10/2014	
			R 3 016,73	30/10/2014	
		Auto motor traffic signal	R 4 870,00	22/10/2014	Repair auto motor type esa 10 controller including a new CPU
		Barloworld George	R 9 860,36	30/10/2014	Barloworld is the nearest branch to Beaufort west and willing to come to Beaufort west
		Workshop Electronics	R 5 673,80	20/10/2014	Sole supplier that can repair and calibrate equipment

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR NOVEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Actebis	R 2 696,10	20/11/2014	Sole supplier for collection of hazardous waste
		B & B sweiswerke	R 3 950,00	12/11/2014	Sole local supplier that can make the stensels for the stop signs in Beaufort west
			R 3 300,00	01/11/2014	Sole local supplier that can pull and lower borehole pump in Bulkraal
		Essop Multisave	R 1 419,66	11/11/2014	Sole service provider where the Municipality buys goods from
		Karoo Fire	R 2 400,00	13/11/2014	Sole supplier that can service fire extinguishers.
		Elster Kent Metering	R 32 660,74	05/11/2014	Sole manufacturer of Elster meters and strainers
		Karoo Betonwerke	R 2 700,00	18/11/2014	Sole manufacturer of concrete products in Beaufort West
		Penny Pinchers	R 3 560,40	19/11/2014	Sole available supplier that can provide the material locally
			R 2 881,01		
			R 11 394,47		
			R 2 257,16		
		Dura-bump	R 39 085,00	28/11/2014	Sole supplier of traffic calming speed humps
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Forms Media Independent	R 3 840,00	13/11/2014	The supplier has an existing template for the pre-printed paper currently used for TCS Software
		SM Consultants	R 18 600,00	13/11/2014	Service provider for the distribution of traffic summonses
		PJ Sound	R 15 000,00	07/11/2014	Provides stage and sound to the Ethiopian Church Conference for the 8-9 Nov 2014
		Trentyre	R 2 860,00	20/11/2014	Trentyre is the sole supplier locally that can supply Willard batteries.
		Tango Civil & Plant Hire	R 3 420,00	04/11/2014	Recycling is using a fork lifter on a daily basis. The owner hires it out on a monthly basis
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	V & V Consulting	R 123 970,56	06/11/2014	Assessment of Pavement management system of the paved road network
		Crawfords Attorneys	R 4 590,79	26/11/2014	Local official law practitioner handling the transportations
		SB Naidu	R 4 698,51	06/11/2014	Balju services in Beaufort west
		Ignite Advisory Services	R 77 277,75	13/11/2014	Performance Management Service Provider
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 7 392,96	03/11/2014	Notice 114/2014-Advertisement for registration of suppliers.
		Die Courier	R 78 767,45	28/11/2014	Local newspaper circulating in Central Karoo District
(d)(v)	ad-hoc repairs to plant	George Lawnmowers	R 2 495,00	16/09/2014	Torro Starter. Parts required. George Lawnmowers is the

i)	and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.			agent.
	Beaufort West Precision Motor Engineers	R 9 257,94	13/11/2014	Precision engineers is the sole supplier that can do a specialised service on the concrete mixer
	Denver	R 2 227,20	13/11/2014	CZ 15569 - Denver is the agent for tractor parts
	Barloworld	R 4 549,20	13/11/2014	CZ 5169 - Barloworld is the agent for TLB parts
	Invuyani Safety	R 7 020,00	16/09/2014	CZ 2295 - Pump is repaired, supplier that sold the pump system to the Municipality.

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR DECEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	WCC Cables	R 29 982,00	09/12/2014	Replace sewerage station's transformer
(b)	Sole Supplier	Flotron	R 67 102,97	01/12/2014	New data loggers for PVR monitoring
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Tango Civil & Plant Hire	R 3 420,00	15/12/2014	Recycling is using a fork lifter on a daily basis. The owner hires it out on a monthly basis
		Agrico George	R 11 653,18	30/12/2014	Available supplier that could provide material for rugby sports field
		Nyala Communications	R 3 499,00	31/12/2014	The only service provider for internet services
(d(v))	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Ignite Advisory Services	R 18 918,02	19/12/2014	Performance Management Service Provider
			R 34 200,00	08/12/2014	
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 5 825,40	31/12/2014	Only local newspaper circulating in Central Karoo District
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	B& B Sweiswerke	R 199 321,00	02/12/2014	CZ 4118 - Repair refuse truck from Community services
		B-Wes Presisie	R 20 268,06	09/12/2014	CZ 8149 - Engineering repairs on engine of refuse truck
		CS Traffic	R 28 154,30	09/12/2014	Repair traffic controllers at the N1 intersections

Ratified on:

Ratified by:

J.Booyse

Municipal Manager

Signed:



MUNISIPALITEIT - MUNICIPALITY - U MASIPALA WASE

BEAUFORT-WES - BEAUFORT WEST - BHOBHOFOLO

DEPARTEMENT: FINANSIELE DIENSTE : DEPARTMENT: FINANCIAL SERVICES

Verwysing Reference	6/1/1/1	Privaatsak/Private Bag 582 Faks/Fax (023) 4148105 Tel. (023) 4148100
Navrae Enquiries Imibuzo	S.A Pothberg	E-pos: treasury@beaufortwestmun.co.za Kerkstraat 15 Church Street Beaufort-Wes Beaufort West Bhobhofolo 6970
Datum Date Umhla	2015.04.09	

Memorandum to the Municipal Manager

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 3rd QUARTER: 01 JANUARY – 31 MARCH 2015

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids and formal quotations that was Awarded By The Bid Adjudication Committee and Directors

Attached please find as Addendum 1 the report for the quarter, 01 January till 31 March 2015.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
PJ Sound & Vision	16/01/2015	15054854	R 3 500.00	❖ Sons, Mr. PJ Julies and Mr. J.Julies is employed as Vehicle Inspections & Traffic Officer and machine operator at electrical and traffic services at the Beaufort West Municipality
Karoo Motors Werks winkel	2/01/2015 29/02/2015 26/03/2015	15055063 15055984 15056458	R 67 908.66 R70 149.90 R67 599.99	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health

Services				
Karoo Drukkery	12/01/2015	15054779	R 13 332.00	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Avril's Catering	26/01/2015 03/02/2015	15055362	R 6 075.00 R 7 075.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
Sonneblom Bloemiste	07/01/2015 05/02/2015	15054758 15055408	R 8 500.00 R 2 500.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
Karoo Beton Werke	09/02/2015 17/02/2015 05/02/2015 27/02/2015	15055985	R3 690.00 R3 613.00 R2 700.00 R10 800.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
B&B Sweiswerke	05/01/2015 28/01/2015 10/02/2015 20/02/2015 28/01/2015	15054686 15055050	R 7 814.65 R 5 382.50 R 2 400.00 R 4 200.00 R 17 071.50	❖ Son, Mr A.C Du Plessis is currently employed by Department of Education as a teacher.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

- ❖ **There are no minor breaches to be reported for period 01 January till 31 March 2015.**

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

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DIRECTOR: FINANCIAL SERVICE

Addendum 1

FORMAL WRITTEN QUOTATIONS AND BIDS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 07/2015	Supply, delivery, installation, maintenance of a photo-copier on a multi lease year contract	❖ Nashua ❖ Pinnacle Systems ❖ Konica Minolta ❖ Ricoh	❖ R 290 541.10 ❖ R 279 703.78	❖ Nashua	
SCM 12/2015	Contract for the Upgrading of streets in Murraysburg	❖ Trucon ❖ De Jager Loodgieters	❖ R2 205 544.32 ❖ R2 137 231.53	❖ De Jager Loodgieters	
SCM 12/2015	Nominated Sub-contractor for the Upgrading of streets in Murraysburg	❖ Qukwana's Contractors ❖ Share-a-Deal 184 ❖ Q&K Projects ❖ MR B Civils ❖ JMG Solutions	❖ R265 494.60 ❖ R351 135.95 ❖ R153 084.33 ❖ R340 546.50 ❖ R174 019.86	❖ Q&K Projects	
SCM 13/2015	Contract for the Upgrading of Dliso & Matshaka Street	❖ De Jagers Loodgieters ❖ Trucon ❖ ATN Group ❖ Benver Civils	❖ R2 159 522.06 ❖ R2 127 252.26 ❖ R3 832 931.66 ❖ R1 836 755.80	❖ Benver civils	
SCM 13/2015	Nominated Sub-contractor for the Upgrading of Dliso & Matshaka Street	❖ Aletta v Staden Maintenance BK ❖ JMG Solution ❖ Q&K Projects ❖ Bhathu Pele ❖ Benedict 10BOA t/a Katlego Inv ❖ Nocawe Camagu t/a Rekaofola Co ❖ Elizar Onderneming ❖ Inyameko Trading 445 CC ❖ NE Ngqandela	❖ R167 166.50 ❖ R172 166.90 ❖ R145 795.80 ❖ R245 994.40 ❖ R205 393.23 ❖ R221 720.31 ❖ R201 572.40 ❖ R164 308.20 ❖ R	❖ Q&K Projects	
SCM 19/2015	Contract for the Upgrading of	❖ Qukwana's	❖ R 188 944.06	❖ Qukwana's	Bid was advertised and

	Voortrekker and Pastorie Intersection In Murraysburg	Contractors ❖ Share a Deal	❖ R 210 492.45	Contractors- R68 164.00	only this two tenders were received on 09 January. Due to the fact that bids was found both non-responsive and more than budgeted amount for labour, it was resolved that work be done by Qukwana's Contractors and local labour in Murraysburg be used.
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Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JANUARY					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Karoo Betonwerke	R 10 800,00	20/01/2015	Manufacturer of concrete products locally
		Dura-Bump	R 39 085,00	05/01/2015	Install speedhumps in Danie Theron street and School street.
		CQS	R 231 408,60	21/01/2015	Sole provider and condition of grant funding
		Sebata	R 129 606,60	15/01/2015	Upgrade of revenue management systes- master name cellular and other details on Sebata FMS
		Spectrum Communications	R 9 104,00	21/01/2015	Repair of equipment- Telemetry system is developed and owned by Spectrum for the Municipality
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Sonneblom Bloemiste	R 8 500,00	06/01/2015	Décor for the function of the minister
		PJ Sounds	R 3 500,00	13/01/2015	Provides sound for a community meeting
		Metler's Devine catering	R 30 000,00	08/01/2015	Supply catering for the community meeting the 8th of January 2015
		Josticare	R 3 814,00	05/01/2015	Pauper Burial for E Sauls
		PG Glass	R 2 323,04	15/01/2015	Only local supplier that can repair the windows
		Penny Pinchers	R 3 275,98	05/01/2015	Only local service provider that can supply the materials
			R 3 149,92	22/01/2015	
			R 2 526,91	20/01/2015	
			R 5 229,95	28/01/2015	
			R 19 315,83	05/01/2015	
		SM Consultants	R 7 350,00	12/01/2015	Service provider for the distribution of traffic summonses
		Tango Civils and Plant Hire	R 3 420,00	05/01/2015	Recycling is using a forklifter daily and Tango civils is hiring theirs out monthly.
(d(v))	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Crawfords Attorneys	R 7 500,00	19/01/2015	Local official law practitioner handling the transportations and legal matters
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 9 410,32	28/01/2015	Local newspaper circulating in Central Karoo District

(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 10 507,00	26/01/2015	Prodiba is appointed by the department of transport for the issuing of driving licence cards
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	George Lawnmowers	R 9 056,55	16/01/2015	Repair tri-cycle lawnmower
		BW Precision Motor Eng	R 5 875,56	16/01/2015	CZ 3906 - Specialised repairs to the refuse truck of community services
			R 2 097,60	22/01/2015	CZ 15926 - Specialised repairs to the Nifty
		Karoo lugreeling en verkoeling	R 2 450,00	06/01/2015	Stripping, testing and repairs to airconditioner at the Asset clerk(W Petersen) office.
			R 3 950,00	12/01/2015	Stripping, testing and repairs to airconditioner at the Mayors office.
		Hilbert Radios	R 14 680,00	26/01/2015	Repairs to the Kenwood repeater
			R 7 765,26	23/01/2015	

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR FEBRUARY					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	Tricom	R 2 980,00	17/02/2015	The irrigation pump's impeller packed up, brought one at Tricom for Rugby field
(b)	Sole Supplier	Karoo Vleisboere	R 2 126,21	02/02/2015	Sole supplier in Murraysburg that can supply the stock
			R 2 803,12		
		Vastrap	R 18 000,00	05/02/2015	Sole contractor that can rent out the TLB machine in Murraysburg
		Beaufort alarms	R 2 793,00	27/02/2015	Sole Manufacturer of concrete products in Beaufort West
		Karoo Betonwerke	R 3 613,00	17/02/2015	
			R 3 690,00	09/02/2015	
		Penny Pinchers	R 4 601,84	02/02/2015	Sole service provider that can supply the stock locally
			R 2 026,89	02/02/2015	
			R 3 334,46	02/02/2015	
			R 2 235,60	02/02/2015	
			R 2 621,48	02/02/2015	
		Isak Goeieman	R 6 500,00	16/02/2015	Only registered funeral service provider in Murraysburg for the pauper burials
		Elster Kent Metering	R 47 423,77	20/02/2015	Manufacturer of Kent prepaid meters and accessories
		B&B Sweiswerke	R 4 200,00	16/02/2015	Sole local supplier that can pull and lower borehole pump in Kuilspoort
			R 3 500,00	01/05/2015	Sole local supplier that can pull and lower borehole pump in Hansrivier
		Sebata Municipal Services	R 218 880,00	02/02/2015	Implement the SCM module on the current financial system
		Probou	R 5 825,00	03/02/2015	Probou is the only supplier that quoted for an aquatek filter lid.
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	E&D Catering	R 3 000,00	02/02/2015	Only available supplier for catering on saturday 24th January 2015 at the Sports pub
		Sonneblom Bloemiste	R 2 500,00	02/02/2015	Only available supplier to do the Décore on the Saturday 24th January 2015 at the Sportspub
		Essop Multisave	R 2 379,70	02/02/2015	They provide the snacks and colddrinks on the 24th January 2015 at the Sportspub
		SM Consultant	R 7 500,00	25/02/2015	Service provide for the distribution of traffic summonses.
		Lithotech	R 7 182,00	20/02/2015	Specialised printing works, company has the templates for the

				printing of cheques
		Nyala Communications	R 3 499,00	02/02/2015
		Mobicast	R 252 393,85	26/02/2015
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Sebata	R 218 880,00	02/02/2015
		Chris Swartz Eng	R 17 670,00	17/02/2015
		Ignite Advisory Services	R 52 603,31	05/02/2015
				Service Provider for Performance Management System
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 468,59	03/02/2015
		Human Communications	R 22 102,80	02/02/2015
		Die Courier	R 3 373,26	02/02/2015
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Hilbert Radios	R 4 620,43	03/02/2015
		Distribution Power Economy	R 31 000,00	17/02/2015
		Auto motor Traffic Signal	R 6 121,80	23/02/2015
		George Lawnmowers	R 2 965,31	16/02/2015
		Barloworld	R 5 461,06	11/02/2015
			R 8 873,76	16/02/2015
		Propshaft Engineering	R 8 195,00	18/02/2015

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MARCH					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Cape Mowers CC	R 93 480,00	02/03/2015	Completely refurbished toro greenmaster for the golf course.
		Dura Bump	R 76 940,00	23/03/2015	Sole manufacturer of the traffic calming speedbumps in Renier, Morkel street and Mattheus Ave.
		Vastrap Grondverskuiwing	R 5 492,97	13/03/2015	Only available supplier in Murraysburg with equipment for grading the streets
		Mindmuzik	R 6 762,15	03/03/2015	Sole distributor of all the learners licence tests material in SA on behalf of HSRC
		Gene Louw Traffic College	R 8 337,26	01/03/2015	The only registered and accredited training centre in the Western Cape that provides traffic training
		Karoo Fire	R 2 950,00	30/03/2015	Sole supplier that can service fire extinguishers at engineering department
		B&B Sweiswerke	R 2 800,00	19/03/2015	Sole supplier that can pull and lower borehole pumps
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	C Fortuin	R 9 720,00	02/03/2015	Available supplier for the hiring of scaffolding for construction work at Mandela Square and municipal buildings
		Essop Multisave	R 3 257,45	17/03/2015	The only supplier that will supply household items to the Municipality on account
		Hotel Verde	R 3 128,00	19/03/2015	Training was held at venue for construction regulations training for JCL Smit and C Wright.
		KFC	R 3 884,97	11/03/2015	Catering for 60 people for meeting with SEDA
		Wiegies transport	R 2 900,00	11/03/2015	Transport of learners from Nelspoort to Beaufort West and back for SEDA meeting
		Lottering transport	R 2 800,00	19/03/2015	Transport of learners from Murraysburg to Beaufort west and back for SEDA meeting
		Skuza's Transport	R 2 200,00	11/03/2015	Transport of learners from Murraysburg to Beaufort west and back for SEDA meeting
		Nyala Communications	R 3 499,00	31/03/2015	The only service provider for internet services
		Harvey World Travel Group	R 3 645,00	21/01/2015	Flight ticket for Mr F Sabbat
			R 9 507,00	17/02/2015	Flight tickets for Mr D Hawker, Mr M Furmen and Mr T Prince to attend meeting at CETA head office.
			R 6 912,78	19/02/2015	
(d(v))	The appointment of any person to provide professional advice or services is less than R200 000 or any	SB Naidoo	R 7 382,07	06/03/2015	Balju services in Beaufort west
		Ignite Advisory Services	R 14 563,50	11/03/2015	Service Provider for Performance Management System
		SM Consultant	R 23 850,00	11/03/2015	Service provide for the distribution of traffic summonses.

greater amount					
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 468,59	04/03/2015	Adverts for the Tenders. Systems Act S21 states that any communications must be published in newspaper. SCM 23&24/2015
			R 6 468,59		
			R 6 468,59		
			R 6 468,59	26/03/2015	Adverts for SCM 27/2015 Financial dashboard tool and SCM 26/2015 Flatbed drop side diesel LDV
			R 6 468,59		
	Die Courier	R 44 017,30	27/03/2015	Local newspaper circulating in Central Karoo District	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	CP Nel	R 4 029,01	11/03/2015	CZ 7325 - Repairs, nearest agents
		Barloworld	R 7 437,26	31/03/2015	CZ 5169 - TLB Vehicle under guarantee, must be serviced by agent
			R 6 258,03	31/03/2015	CZ 7713 - Grader agents. Nearest supplier to do specialised work
		PG Glass	R 2 500,00	19/03/2015	CZ 4032 - Replacement of windscreen of vehicle CZ 4032- Insurance claim, the excess value
		Jupiter Towing	R 2 300,00	19/03/2015	CZ 2295 - Tow in bakkie and trailer 10 km outside Beaufort West after hours
		George Lawnmowers	R 2 051,89	30/03/2015	Sprinkaan Yamaha lawnmower - Nearest agent to do repairs
			R 2 525,33	30/03/2015	Sprinkaan Robin lawnmower - Nearest agent to do repairs
			R 5 703,59	30/03/2015	Sprinkaan Yamaha lawnmower - Nearest agent to do repairs

Ratified on:

Ratified by:

J.Booyse

Municipal Manager

Signed:



MUNISIPALITEIT - MUNICIPALITY - UMASIPALA-WASE BEAUFORT-WES/BEAUFORT WEST/BHOBHOFOLO

KANTOOR VAN DIE DIREKTEUR : FINANSIËLE DIENSTE

OFFICE OF THE DIRECTOR : FINANCIAL SERVICES

Rig asseblief alle korrespondensie aan die Municipale Bestuurder/Kindly address all correspondence to the Municipal Manager/Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

Verwysing		
Reference	6/1/1/1	Privaatsak / Private Bag 582
Isalathiso		Faks/Fax: (023) 4148105
Navrae		Tel. (023) 4148100
Enquiries	(mev.) S Pothberg	e-pos / e-mail: treasury@beaufortwestmun.co.za
Imibuzo		Kerkstraat 15 Church Street
Datum		BEAUFORT-WES
Date	2015.07.13	BEAUFORT WEST
Umhla		BHOBHOFOLO
		6970

MEMORANDUM TO THE MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 4th QUARTER: 01 APRIL – 30 JUNE 2015

1. EXECUTIVE SUMMARY

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

2. AWARDS OF COMPETITIVE BIDS AND FORMAL QUOTATIONS IN TERMS OF SUB-DELEGATIONS

In terms of Section 5(3), an official or bid adjudication committee to which the power to make final awards has been sub-delegated must within five days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month.

The Municipal Manager has sub-delegated the power to award Competitive Bids to the Bid Adjudication Committee and Formal Written Price Quotations to the Heads of Departments. The Awards made in terms of these sub-delegations are attached per **Annexure A**. Attached please find as Addendum 1 the awards that was made by Bid Adjudication Committee and Directors for quarter 01 April to 30 June 2015.

3. MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

Schedule of deviations approved by the Accounting Officer is Addendum 2.

- ❖ There are no minor breaches to be reported.

4. SUPPLY CHAIN MANAGEMENT COMPLIANCE ASSESSMENT

In terms of Section 5 (3) and 5 (4) of the Municipal Finance Management Act 53 of 2003, the Provincial Treasury must amongst others, fulfill its responsibilities in terms of this Act, assist the National Treasury in enforcing compliance with the measures established in terms of Section 216(1) of the Constitution and must monitor compliance with this Act by municipalities in the Province.

Provincial Treasury has visited Beaufort West municipality on 20 May to conduct an SCM compliance to assess whether or not the Municipality adheres to its supply chain management policy and other statutory requirements governing supply chain management when performing supply chain management functions.

The methodology adopted included but was not limited to the following:

- ❖ An evaluation against the supply chain management legislation, policy and procedure;
- ❖ Random sampling of source documents;
- ❖ Interviews with supply chain management practitioners and other role players and
- ❖ Observation, questionnaires, inspection analysis, verification, analytical review of source documents.

Attached find report from Provincial Treasury with recommendation as Addendum 3.

5. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werks winkel	30/04/2015 04/05/2015	15057198 15057237 15058432	R24 960.30 R 66 219,18 R 39 55.22	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Ingozi	01/04/2015	15056679	R13 500.00	❖ Spouses, Mr. F Pieters

Construction & General Services	29/06/2015	15058434	R 2 000.00	and Mr. B Visser is currently employed at the Beaufort West Municipality.
B&B Sweiswerke	30/04/2015 06/05/2015 09/06/2015 09/06/2015 15/06/2015	15057182	R33 412.35 R 4 975.00 R 2 800.00 R 7 882.00 R 5 800.00	❖ Son, Mr A.C Du Plessis is currently employed by Department of Education as a teacher.
Karoo Drukkery	04/05/2015 05/05/2015	15057231	R 5 090.00 R 17 100.00	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Karoo Beton Werke	28/05/2015		R 7 800.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Avril's Catering	26/06/2015	15058297	R 4 500.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
Beaufort West Luxury Coaches	16/06/2015		R 3 000.00	❖ Son, Warren Johnson, is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community Safety.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

.....
Mr. F Sabbat
DIRECTOR: FINANCIAL SERVICE

Addendum 1

FORMAL WRITTEN QUOTATIONS AND BIDS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 16/2015	Supply and Delivery of Fencing Material	<ul style="list-style-type: none"> ❖ Flashcor 146 CC ❖ October Sky Plant Hire & Supplies ❖ Sharon Rose Trading CC 	<ul style="list-style-type: none"> ❖ R 138 892,29 ❖ R 116 611,85 ❖ R 80 940,00 	<ul style="list-style-type: none"> ❖ Sharon Rose Trading CC 	
SCM 21/2015	Supply and delivery of Protective Clothing for 3 year period	<ul style="list-style-type: none"> ❖ Central Karoo Events ❖ Proudly Karoo ❖ Safe Pro ❖ CK Safety & Laundry ❖ TRF Sport ❖ Wise concepts & marketing Solutions ❖ Bluestone Designs ❖ Pienaar Bros 	<ul style="list-style-type: none"> ❖ Bidders submitted unit prices per item 	<ul style="list-style-type: none"> ❖ Central Karoo Events ❖ Proudly Karoo ❖ Safe Pro ❖ TRF Sport ❖ Wise concepts & marketing Solutions ❖ Bluestone Designs ❖ Pienaar Bros 	Bids were awarded to bidder that scored the highest points for price and preference for items requested.
SCM 22/2015	Supply and Delivery of waterworks material	<ul style="list-style-type: none"> ❖ Ikapa Reticulation and Flow CC ❖ October Sky Plant Hire & Supplies ❖ DPI Trading Civil Corp CC 	<ul style="list-style-type: none"> ❖ R 278 114,40 ❖ R 236 800,80 ❖ R 232 218,00 ❖ R 250 686,00 	<ul style="list-style-type: none"> ❖ Ikapa Reticulation and Flow CC 	Bids received from October Sky and DPI Trading were found non-responsive.
SCM 23/2015	Supply And Delivery Of One New Diesel Driven Truck Fitted With A Hydraulic Crane And Tipper Load Body	<ul style="list-style-type: none"> ❖ Golden Dividend 536 ❖ Imperial Truck Centre ❖ Moipone Group of Companies ❖ AAD t/a Truck & Bus ❖ Shorts Nissan ❖ Phambili Services 	<ul style="list-style-type: none"> ❖ R 1 076 616,00 ❖ R 1 197 000,00 ❖ R 1 203 067,00 ❖ R 1 598 513,98 ❖ R 1 000 210,00 ❖ R 1 074 820,50 ❖ R 1 304 969,40 	<ul style="list-style-type: none"> ❖ AAD t/a Truck & Bus 	
SCM 24/2015	Supply and Delivery of a 1 ton	<ul style="list-style-type: none"> ❖ Rico Trailers 	<ul style="list-style-type: none"> ❖ R 29 526,00 	<ul style="list-style-type: none"> ❖ Savanah 	Rico Trailers and

	utility trailer	<ul style="list-style-type: none"> ❖ Challenger Trailers ❖ Savannah Trailers ❖ Integral Safety Products 	<ul style="list-style-type: none"> ❖ R 37 039.85 ❖ R 41 488.00 ❖ R 42 704.40 	Trailers	Savannah requested upfront delivery, quotation from Savannah were accepted.	Trailer deposits before therefore from Trailers
SCM 26/2015	Supply and delivery of a 1.3 ton flatbed drop side diesel LDV	<ul style="list-style-type: none"> ❖ Huyndai Graaff Reinet 	<ul style="list-style-type: none"> ❖ R 242 076,00 	<ul style="list-style-type: none"> ❖ Huyndai Graaff Reinet 		
SCM 27/2015	Supply and delivery of financial DASHBOARD tool for the Financial Department	<ul style="list-style-type: none"> ❖ Globetom Trading 	<ul style="list-style-type: none"> ❖ R 278 816,64 	<ul style="list-style-type: none"> ❖ Globetom Trading 		
SCM 28/2015	Supply and delivery of G5 Calcrete	<ul style="list-style-type: none"> ❖ Flashcor 146 CC 	<ul style="list-style-type: none"> ❖ R 180 000.00 	<ul style="list-style-type: none"> ❖ Flashcor 146 CC 		
SCM 29/2015	Upgrading of Kwa - Mandlenkosi Library - Carpentry	<ul style="list-style-type: none"> ❖ Mr Fix it ❖ Flashcor 146 CC 	<ul style="list-style-type: none"> ❖ R 45 536,00 ❖ R 126 237,90 	<ul style="list-style-type: none"> ❖ Mr Fix it 		
SCM 29/2015	Upgrading of Kwa - Mandlenkosi Library - Renovations	<ul style="list-style-type: none"> ❖ Brilliant Projects Maintenance ❖ Mr Fix It ❖ Flashcor 146 CC 	<ul style="list-style-type: none"> ❖ R 220 192,10 ❖ R 230 000,00 ❖ R 208 403,40 	<ul style="list-style-type: none"> ❖ Flashcor 146 CC 		
SCM 30/2015	Professional Services: Short Term Insurance Portfolio 01 July 2015 – 30 June 2018	<ul style="list-style-type: none"> ❖ Lateral Unison ❖ Marsh ❖ AON ❖ Nico Swart Consultancy ❖ Westwood 	<ul style="list-style-type: none"> ❖ R 2 624 427.00 ❖ R 2 433 975.00 ❖ R 2 055 950.00 ❖ R 1 703 712.00 ❖ R 2 771 459.26 	<ul style="list-style-type: none"> ❖ AON 		

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR APRIL					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	Spectrum Communications	R 9 671,00	01/04/2015	Telemetry system was created by spectrum and must be repaired by them
		Middleton Geomatics	R 4 788,00	01/04/2015	Replace the pegs for Erf 8980 - beacon relocation
		Penny Pinchers	R 5 009,33	01/04/2015	Materials needed urgently to do repairs on buildings. Sole local supplier that can supply the stock
		Elster Kent Kent Metering	R 267 124,66	01/04/2015	The sole manufacturer of Elster meters and strainers
			R 71 135,66	29/04/2015	
		Actebis	R 2 827,20	07/04/2015	Transport and dispose of hazardous waste
		PG Glass	R 6 650,00	01/04/2015	Supplier made custom build sliding door for the VIP lounge at the Rustdene sports pub.
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	C Fortuin	R 2 640,00	07/04/2015	Rent scaffolding for work to be done at Mandela Square and Municipal buildings
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	S B Naidu	R 6 129,27	20/04/2015	Balju services in Beaufort west
			R 5 104,92	20/04/2015	
		Ignite Advisory services	R 29 233,88	28/04/2015	Service provider for Performance Management system
		SM Consultants	R 26 400,00	21/04/2015	Service provider for the distribution of traffic summonses
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 468,59	22/04/2015	Publication of advertisement SCM 23/2015 in Die Burger, newspaper circulating in Western Cape.
(d)(ii)	Any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 17 222,00	28/04/2015	Prodiba is appointed by the department of transport for the issuing of driving license cards
(d)(vi)	Ad-hoc repairs to plant and equipment where it is	The Workshop	R 3 910,00	01/04/2015	Sole local supplier that can do mechanical repairs. The clutch was repaired

	not possible to ascertain the nature or extent of the work required in order to call for bids.	Raakvat Verhurings	R 2 120,86	16/04/2015	In the absent of the Municipality's Bomag, which was repaired, they rented one.
		Barlow world	R 17 411,66	29/04/2015	Agent for CAT machinery-repairs for CZ 7713

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MAY					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	B & B Sweiswerke	R 4 975,00	06/05/2015	Pull and drag borehole pump in Lemoenfontein north
		Raakvat Verhuring	R 2 850,00	28/05/2015	Sole supplier that rent out the poker Vibrator in Beaufort west
		PG Glass	R 13 058,70	29/05/2015	Sole local service provider that can supply and install aluminum glass sliding doors for library in Church street
		Penny Pinchers	R 106 769,81	29/05/2015	Only local supplier that has material available for repair works
			R 7 877,78	19/05/2015	
			R 4 323,91	26/05/2015	
			R 8 206,18	15/05/2015	
		Karoo Beton Werke	R 7 800,00	28/05/2015	Manufacturer of concrete material locally
		Essop Multi save	R 7 155,02	19/05/2015	The expenditure was for the ward committee public participation process in Merweville for ward 7
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Tango Plant & Hire	R 6 840,00	05/05/2015	Recycling have to use a fork lifter on a daily basis, Tango Plant & Hire is the only company that could provide us this service
		New Fountain Ministries	R 5 500,00	08/05/2015	The church was hired for indigent applications in Prince Valley. Must be renewed every year.
		New Fountain Ministries	R 2 000,00	27/05/2015	The church was hired for the budget meeting including sound
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	SM Consultants	R 18 450,00	27/05/2015	Service provider for the distribution of traffic summonses
(d)(ii)	Any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 5 372,00	15/05/2015	Prodiba is appointed by the department of transport for the issuing of driving license cards
(d)(vi)	ad-hoc repairs to plant and equipment where it is not	Barloworld Equipment	R 17 411,66	04/05/2015	CZ 7713 - Grader - Specialized works by Barloworld agents & transport included

	possible to ascertain the nature or extent of the work required in order to call for bids.	WCC Cables	R 210 480,00	27/05/2015	Repair of switchgears and transformers
		George Lawnmowers	R 2 094,64	27/05/2015	Repair of water pump - agent for parts
		Karoo Lugreeling & verkoeling	R 2 394,00	27/05/2015	Service the air conditioners at the Mimosa en Town Libraries

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JUNE					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	CTE Water Tech	R 6 145,68	08/06/2015	Calibrate engineering instruments on site with water & waste water engineering
		B &B Sweiswerke	R 2 800,00	09/06/2015	Pull and lower of borehole pumps in Hansrivier 15
			R 7 882,00	09/06/2015	Pull and lower of borehole pumps in Noord einde South
		Caddie	R 11 400,00	11/06/2015	Upgrade of software program - Caddie conversion and maintenance fee
		Karoo Vleisboere Koperasie	R 3 634,57	17/06/2015	Karoo Vleis boere is the sole supplier in Murraysburg that can supply the material
		Actebis 286 CC	R 2 696,10	30/06/2015	Sole supplier for the removal of hazardous waste storage equipment on a quarterly basis
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Art work Welding	R 168 405,00	17/06/2015	Upgrading of the Mimosa Library-palisade fencing
		B &B Sweiswerke	R 5 800,00	16/06/2015	Only available supplier that could supply ref 245 weld mesh
		The Koup Butchery	R 4 724,10	22/06/2015	Supply of meat for Ward function
		Essop	R 3 002,04	12/05/2015	Essop is the only supplier that will supply the Municipality with material on credit.
			R 3 269,58		
		Juta	R 7 005,00	26/06/2015	We have a subscription with Juta, and they send the updated legislation to the municipality
		Beaufort West Luxury Coaches	R 3 000,00	16/06/2015	Youth day function, the Municipality is responsible for the transport
		Tsogo Sun-Cape Sun	R 2 790,00	18/05/2015	Accommodation for Mayor - Mr. T Prince
		Ruth Avenue Guest House	R 5 600,00	20/05/2015	Accommodation for Councilor Furmen
(d(v))	The appointment of any person to provide professional advice or services is less than R200 000 or any greater	D Koopman	R 29 224,00	24/06/2015	Drawing of plans and specifications

	amount				
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 21 130,72	08/06/2015	Adverts for the Tenders. Systems Act S21 states that any communications must be published in newspaper. Notice 62,64&65/2015
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Central Karoo District Municipality	R 47 110,19	30/06/2015	Grading of gravel roads in Murraysburg and Merweville
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	The Workshop	R 2 034,00	17/06/2015	The only workshop in Murraysburg that can do repairs on vehicles-CZ 16710
		George Lawnmowers	R 4 409,75	25/06/2015	Agent for falcon blades for lawnmowers
		Peninsula Water treatment	R 7 638,00	08/06/2015	Strip and repairs to Gas regulator, flow tube assembly and Vacuum injector work done
		WCC Cables	R 38 475,00	01/06/2015	Faulty switchgear and transformers were sent to WCC Cables on repairs on equipment, the equipment had to be disassembled and strip to ascertain the extent of the work
			R 182 400,00	01/06/2015	

Ratified by:

J.Boysen

Municipal Manager

Signed:

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
45	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
45.8	<u>Other non-compliance</u>		
	MFMA Section 65(2)(b) Adequate management, accounting and information system was not in place which accounted for creditors.		
	MFMA Section 65(2)(e) The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement or invoice as required.		
	MFMA Section 15 Expenditure was not only incurred in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.		
	MFMA Section 165 The municipality had shortcomings/deviations with regard to the internal audit function.		
	MFMA Section 166 The municipality had shortcomings/deviations with regard to the audit committee.		
	MFMA Section 32(4) Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties.		
46	CAPITAL COMMITMENTS		
	Commitments in respect of capital expenditure:		
	Approved and contracted for:	5 971 139	3 873 376
	Infrastructure	5 971 139	3 873 376
	Total	<hr/> 5 971 139	<hr/> 3 873 376
	This expenditure will be financed from:		
	Government Grants	5 971 139	3 873 376
		<hr/> 5 971 139	<hr/> 3 873 376

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

47

FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2015	2014
	R	R

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% (2014 - 0.5%) Increase in interest rates	(11 031)	(30 769)
0.5% (2014 - 0.5%) Decrease in interest rates	11 031	30 769

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

The ageing of amounts past due and not impaired is as follows:

	Non-Exchange Receivables R	Exchange Receivables R	Total R
2015			
1 month past due	211 101	2 088 716	2 299 817
2 + month past due	-	6 656 806	6 656 806
Total	211 101	8 745 522	8 956 623
2014			
1 month past due	694 551	1 886 692	2 581 243
2 + month past due	-	7 523 307	7 523 307
Total	694 551	9 409 999	10 104 551

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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FINANCIAL RISK MANAGEMENT (CONTINUED)

All rates and services are payable within 30 days from invoice date. Refer to note 20 and 21 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Balances past due not impaired:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	211 101	0.00%	694 551
<u>Exchange Receivables</u>				
Electricity	7.28%	636 261	0.00%	-
Water	13.67%	1 195 596	4.30%	404 911
Refuse	3.53%	309 053	16.33%	1 536 907
Sewerage	2.56%	223 658	21.11%	1 986 266
Housing Rentals	0.08%	7 364	0.28%	26 103
Other	72.88%	6 373 590	57.98%	5 455 813
	100.00%	8 745 522	100.00%	9 409 999

No receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 20 & 21 of the financial statements is an approximation of its fair value. Interest on overdue balances (rates) are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	7.42%	4 646 238	13.32%	3 835 562
Fines	92.58%	58 007 391	86.68%	24 965 433
	100.00%	62 653 629	100.00%	28 800 995
<u>Exchange Receivables</u>				
Electricity	2.36%	791 471	14.63%	4 491 409
Water	7.81%	2 621 859	8.80%	2 701 796
Refuse	16.78%	5 634 751	13.57%	4 164 179
Sewerage	24.31%	8 161 924	19.46%	5 973 477
Housing Rentals	0.21%	71 217	0.21%	64 812
Other	48.52%	16 290 647	43.32%	13 297 898
	100.00%	33 571 870	100%	30 693 572

Bad debts written off per debtor class:

	0.00%	-	0.00%	-
<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Services	100.00%	3 695 528	100.00%	910 704
Other	0.00%	-	0.00%	-
	100.00%	3 695 528	100.00%	910 704

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

47

FINANCIAL RISK MANAGEMENT (CONTINUED)

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE. The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at the Statement of Financial Position date for impairment.

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Long term receivables	1 735 478	3 676 587
Trade receivables and other receivables	40 759 381	30 088 011
Cash and Cash Equivalents	15 048 617	11 937 136
Unpaid conditional grants and subsidies	1 614 319	670 378
	<hr/> 59 157 796	<hr/> 46 372 112

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years
2015			
Long Term liabilities	5 162 088	8 627 539	9 872 319
Capital repayments	3 767 966	5 175 011	6 367 423
Interest	1 394 122	3 452 528	3 504 896
Trade and Other Payables	32 614 721	-	-
Unspent conditional government grants and receipts	3 095 014	-	-
	<hr/> 40 871 823	<hr/> 8 627 539	<hr/> 9 872 319
2014			
Long Term liabilities	5 140 312	11 693 253	11 173 707
Capital repayments	3 476 271	7 623 652	6 978 891
Interest	1 664 041	4 069 601	4 194 816
Trade and Other Payables	26 235 569	-	-
Unspent conditional government grants and receipts	6 465 185	-	-
	<hr/> 37 841 066	<hr/> 11 693 253	<hr/> 11 173 707

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
48 FINANCIAL INSTRUMENTS			
In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:			
The fair value of financial instruments approximates the amortised costs as reflected below.			
48.1 Financial Assets	Classification		
Long-term Receivables			
Receivables with arrangements	Financial instruments at amortised cost	1 735 478	3 676 587
Consumer Debtors			
Trade receivables from exchange transactions	Financial instruments at amortised cost	9 052 666	8 568 018
Other receivables from exchange transactions	Financial instruments at amortised cost	16 336 482	10 784 573
Other receivables from non-exchange transactions	Financial instruments at amortised cost	15 370 233	10 735 419
Unpaid Conditional Grants and Receipts			
Other Spheres of Government	Financial instruments at amortised cost	1 614 319	670 378
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	15 036 387	9 332 328
Bank Balances and Cash			
Bank Balances	At amortised cost	-	2 592 738
Cash Floats and Advances	Financial instruments at amortised cost	12 230	12 070
		59 157 796	46 372 112
SUMMARY OF FINANCIAL ASSETS			
Financial instruments at amortised cost		59 157 796	46 372 112
48.2 Financial Liability	Classification		
Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	10 452 813	12 028 203
Capitalised Lease Liability	Financial instruments at amortised cost	1 093 956	2 574 372
Trade Payables			
Trade creditors	Financial instruments at amortised cost	32 614 721	26 235 569
Unspent Conditional Grants and Receipts			
Other Spheres of Government	Financial instruments at amortised cost	4 709 333	7 135 563
Public Contributions	Financial instruments at amortised cost	145 955	139 052
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	1 932 245	-
Current Portion of Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	1 575 262	1 516 227
Capitalised Lease Liability	Financial instruments at amortised cost	2 188 370	1 960 044
		54 712 655	51 589 030
SUMMARY OF FINANCIAL LIABILITY			
Financial instruments at amortised cost		54 712 655	51 589 030

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

49 EVENTS AFTER THE REPORTING DATE

The municipality did not have any event after the reporting date.

50 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

51 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

52 CONTINGENT LIABILITY

The following guarantees also qualify as contingent liabilities:

NAME / REG NO	GUARANTEE ISSUED TO	2015 R	2014 R
ABSA/227	Eskom: Supply Electricity - Nelspoort	-	41 000
1165040859	Eskom	-	34 500
ABSA Bank	South African Post Office	-	50 000
ABSA/237	Dept. of Mineral & Energy - Rehabilitation of Quarry	-	-
Nedbank	South African Post Office	50 000	-
Nedbank	Eskom	34 700	-
Nedbank	Eskom: Supply Electricity - Nelspoort	41 000	-
Total		125 700	125 500

Contingent liabilities - claims against the municipality

On 15 July 2012 a fire destroyed a private property within the Beaufort West municipal area. Although the owner of the property previously indicated that he was unhappy with the performance of the Fire Department of the municipality he gave no intent of claiming against the municipality. On 21 October 2015, however, the affected party's lawyers issued a letter to the municipality that the affected party have issued a summons for damages for alleged negligence on the part of the Fire Department of the municipality. An indication of the possible claim and legal fees was received from messrs Crawfords.

1 036 927

1 036 927

53 CONTINGENT ASSETS

BANK / FIRM	PURPOSE	REG NO	
First National Bank	Electricity supply	147	2 020
FNB/Shoprite	Electricity Supply	88	12 265
FNB/Ackermans	Electricity Supply	91	2 080
Lombard Insurance Group/AGMS	Housing Project: Merweville	248	210 450
Lombard Insurance Group/SWANSA	Reclamation Plant	261	260 068
Lombard Insurance Group	Construction of detention dam in Hillside Phase 1	273	-
Investec Private Bank/SA Tolling	Tend DID01/2008&Corp13/2008	264	915 693
Nedbank obo Mabungwe Sivièle Kontrakteurs: Guarantee No: 285/320654/05	Notice No. 52 /2012 : Tender scm 35/2012 : Construction of pressure reducing system in BW. Phase W&E Service Erf no. 7401 (BW Mall)	280 270	- 222 000
ABSA Bank			222 000
Renasa Insurance Company LTD	30 Meter High Mast Pole - Floodlighting	266	853 876
Rand Merchant Bank	Upgrading boreholes for water supply Murraysburg	283	-
Fusion Guarantee	Upgrading of Ebenezer Avenue Beaufort West	284	92 410
Rand Merchant Bank	Bulk water supply for Nelspoort Guarantee No: DT 0186/2014: 1.	285	-
Investec Bank o.b.o S.A Tolling: Guarantee DT 0186/2014	Remainder of portion B.of the farm Kuilspruit No. 161 + 2. Portion of portion of the farm 185 North of Beaufort West	289	356 873
Guardrisk nms. Benvir Civils + Plant Hire CC	Suretyship: No SUR 20150320/002: Contract No SCM 13/2015 : Contract for the upgrading of Diso and Matshaka Streets	290	4 470 475
	Guarantee No: FUS 501638 JHB: Notice No. 109/2014 : SCM 12/2015 :Contract for the upgrading of streets in Murraysburg	291	183 676
Fusion Guarantees o.b.o De Jager Plumbing Contractors (Pty) Ltd			213 723
Total		6 430 633	3 082 755

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

54

RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

54.1 Related Party Transactions

	Service Charges -			
	Rates - Levied 1 July 2014 - 30 June 2015	Levied 1 July 2014 - 30 June 2015	Other - Levied 1 July 2014 - 30 June 2015	Outstanding Balances 30 June 2015
Year ended 30 June 2015				
Councillors				
Councillor D Slabbert (010137/011832)	27 295	135 849	3 565	6 306
Councillor D Slabbert (028981/031495)	4 840	15 315	1	1 468
Councillor DE Welgemoed (012158/012159)	3 086	2 855	-	499
Councillor G de Vos (014633/014634)	7 013	29 877	12	3 137
Councillor G de Vos (014914/014634)	4 655	25 913	-	-
Councillor GP Adolph (021180/032194)	-	8 510	-	610
Councillor HT Prince (009892/010957)	668	1 832	-	-
Councillor HT Prince (010956/010957)	-	20 052	-	-
Councillor HT Prince (007782/010957)	3 692	17 246	550	-
Councillor L Deyce (510271/000768)	889	1 148	-	168
Councillor M Furmen (023379/023380)	207	4 830	-	79
Councillor R van der Linde (020002/020003)	2 037	4 391	-	-
Councillor R van der Linde (070128/020003)	-	-	3 002	-
Councillor SM Motsoane (022661/022662)	209	3 882	-	346
Municipal Manager and Section 57 Employees	31 316	64 859	-	3 571
Municipal Manager : J Booysen(020051/020052)	-	1 128	-	-
Municipal Manager : J Booysen(018115/018116)	185	-	-	-
Municipal Manager : J Booysen(010964/032381)	2 373	21 551	-	-
Municipal Manager : J Booysen(004922/032381)	937	3 809	-	-
Director : A Makendlana (012180/029959)	7 632	1 778	-	-
Director : R van Staden (011989/011990)	9 085	5 940	-	-
Director : JCL Smit (011486/011487)	8 732	24 162	-	685
Acting Director : R Klink (510285/000794)	2 371	1 145	-	-
Director : F Sabbat (011439/031423)	-	3 770	-	2 886
Director : F Sabbat (035027/031423)	-	1 577	-	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

54.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 18 to the Annual Financial Statements.

54.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

54.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

Councillor/Staff Member

Mr. T Prince (a council member of the Beaufort West Municipality) is the president of Beaufort West Local Football Association. The property on which the Football Association is built belongs to the municipality and is leased to the Football Association at an annual amount of R36,000. At 30 June 2015 an amount of R216 056 was outstanding in respect of the lease payments. Further interests include the Central Karoo Soccer and Rustdene Sportpub with outstanding balances amounting to R837 829.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

55

FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 1.17:1 from 1.07:1 in the prior year.

The municipality have budgeted for a surplus of R29 941 066 for the 2014/2015 financial year. The municipality is also budgeting for net surpluses of R4 464 720 and R3 369 287 for 2015/2016 and 2016/2017 respectively.

The average debtors' payment days increased to 427 days from 295 days.

A bank overdraft facility is utilised amounting to R 5 000 000.

The outstanding balances in respect of external loans amounts to R12 028 075 (2014 - R13 544 430)

Other Indicators

Possible outflow of resources due the contingent liability disclosed in note 52

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

56 **Disclosure of error in the annual report:** The municipality erroneously published the incorrect version of the 2013/14 annual financial statements as part of the annual report of 2013/14. The document was corrected and this note is merely disclosing the fact and impact thereon on the comparative numbers.

56.1 Statement of Financial Position

Notes	Difference	Correct Numbers re- Published		Incorrect Numbers Published
		2014 R (Actual)	2014 R (Actual)	
NET ASSETS AND LIABILITIES				
Net Assets				
Capital Replacement Reserve	2	(2 824 476)	346 132 469	348 956 945
Employee Benefits Reserve	2	-	4 849 606	4 849 606
Government Grant Reserve	2	-	-	-
Housing Development Fund	2	-	4 198 159	4 198 159
Non-Current Provisions Reserve	2	-	-	-
Public Contributions Reserve	2	-	-	-
Revaluations Reserve	2	-	-	-
Social Contribution Reserve	2	-	-	-
Self Insurance Reserve	2	-	1 118 685	1 118 685
Capitalisation Reserve	2	-	-	-
Accumulated Surplus		(2 824 476)	335 966 019	338 790 495
Non-Current Liabilities		69 682	46 160 825	46 091 143
Long-term Liabilities	3	-	14 602 574	14 602 574
Employee benefits	4	69 682	25 882 098	25 812 416
Non-Current Provisions	5	-	5 676 153	5 676 153
Current Liabilities		1 496 273	46 033 645	44 537 372
Consumer Deposits	6	-	1 138 815	1 138 815
Current Employee benefits	7	(222 337)	7 509 143	7 731 480
Provisions	0	-	-	-
Payables From Exchange Transactions	8	5 486 021	26 634 801	21 148 780
Unspent Conditional Government Grants and Receipts	9	(12 911)	7 135 563	7 148 474
Unspent Public Contributions	10	-	139 052	139 052
Taxes	11	-	-	-
Operating Lease Liability	21.1	-	-	-
Cash and Cash Equivalents	22	(3 754 500)	-	3 754 500
Current Portion of Long-term Liabilities	3	-	3 476 271	3 476 271
Total Net Assets and Liabilities		(1 258 521)	438 326 939	439 585 461
ASSETS				
Non-Current Assets		(9 362 438)	388 897 942	398 260 381
Property, Plant and Equipment	12	(8 598 844)	371 670 337	380 269 181
Investment Property	13	(763 594)	8 647 603	9 411 197
Non-current Assets Held For Sale	0	-	-	-
Intangible Assets	14	-	268 770	268 770
Non-Current Investments	0	-	-	-
Capitalised Restoration Cost	15	-	1 664 002	1 664 002
Heritage Assets	16	-	2 970 644	2 970 644
Long-Term Receivables	17	-	3 676 587	3 676 587
Current Assets		8 103 917	49 428 997	41 325 080
Inventory	18	-	2 791 450	2 791 450
Trade Receivables from exchange transactions	19	2 169 283	15 117 729	12 948 446
Other Receivables from non-exchange transactions	20	3 469 480	14 970 281	11 500 801
Unpaid Conditional Government Grants and Receipts	9	-	670 378	670 378
Operating Lease Asset	21.2	-	10 008	10 008
Taxes	11	(127 584)	3 932 014	4 059 598
Current Portion of Long-term Receivables	17	-	-	-
Cash and Cash Equivalents	22	2 592 738	11 937 136	9 344 398
Total Assets		(1 258 521)	438 326 939	439 585 461

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

56.2 Statement of Financial Performance

Notes	Difference	Correct	Incorrect
		Numbers re-Published	Numbers Published
		2014 R (Actual)	2014 R (Actual)
REVENUE			
Revenue from Non-exchange Transactions	4 847 811	163 499 160	158 651 349
Taxation Revenue	22 792 230	22 792 230	22 792 230
Property taxes	-	22 792 230	22 792 230
Transfer Revenue	(137 490)	99 629 979	99 767 469
Government Grants and Subsidies - Capital	-	21 348 285	21 348 285
Government Grants and Subsidies -		77 918 756	78 056 246
Operating	(137 490)	362 938	362 938
Contributed PPE	-	-	-
Transfer DMA From District	-	-	-
Public Contributions and Donations	-	-	-
Other Revenue	4 985 301	41 076 951	36 091 650
Actuarial Gains	-	203 285	203 285
Third Party Payments		40 873 666	35 888 365
Fines		-	-
Stock Adjustments	-	-	-
Unamortised Discount - Interest	24.2	-	-
Gain on disposal of PPE	-	-	-
Other	-	-	-
Revenue from Exchange Transactions	210 564	95 627 358	95 416 794
Property Rates - penalties imposed and collection charges	-	399 873	399 873
Service Charges	25	85 099 374	85 099 374
Rental of Facilities and Equipment	-	814 984	814 984
Interest Earned - external investments	213	1 011 727	1 011 514
Interest Earned - outstanding debtors	-	1 858 351	1 858 351
Licences and Permits	-	545 598	545 598
Agency Services	-	541 057	541 057
Other Income	26	5 356 394	5 146 043
Total Revenue	5 058 375	259 126 518	254 068 143
EXPENDITURE			
Employee related costs	27	2 010 088	67 913 859
Remuneration of Councillors	28	29 053	3 893 736
Debt Impairment	29	(208 747)	27 217 301
Collection Cost	-	-	652 890
Depreciation and Amortisation	30	(108 495)	14 030 083
Impairments	31	10 994 382	10 994 382
Repairs and Maintenance	32	(297 380)	17 408 268
Unamortised Discount - Interest	24.1	-	-
Actuarial losses	4	2 532	1 882 459
Finance Charges	33	-	4 086 726
Bulk Purchases	34	(220 494)	39 066 285
Contracted services	-	2 774 029	11 539 821
Grants and Subsidies Paid	35	-	60 000
Stock Adjustments	-	90 616	7 323 581
Other Operating Grant Expenditure	36	(37 351 567)	-
Loss on disposal of PPE	-	146 155	167 999
General Expenses	37	32 190 076	47 996 575
Total Expenditure	10 050 248	254 233 965	244 183 717
NET SURPLUS FOR THE YEAR	(4 991 873)	4 892 553	9 884 426

**APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at	Correction of	Balance at	Received	Redeemed	Balance at
					30 June 2014					
					R	R	R	R	R	R
ANNUITY LOANS										
General										
Sanlam Building RB21/10/03 IT 5.44	10.5%	DBSA	101257/1	2019/12/31	876 492	-	876 492	-	125 188	751 304
Tata Truck 2 Ton CZ 6388	8.6%	STANDARD	73702013/0003	2016/08/31	76 340	-	76 340	-	33 474	42 866
Case Tractor 2WD CZ 6311	8.6%	STANDARD	73702013/0004	2016/08/31	83 314	-	83 314	-	36 532	46 782
Upgr. Fencing & Alarm System	9.7%	F N B	2012/001	2017/06/01	87 839	-	87 839	-	26 537	61 302
Caterpillar Digger/Loader CZ 5169	9.7%	F N B	2012/002	2017/06/01	400 067	-	400 067	-	120 842	279 225
Sod Cutter	9.7%	F N B	2012/003	2017/06/01	18 658	-	18 658	-	5 631	13 027
Lawn Mower Tractor Attached	9.7%	F N B	2012/004	2017/06/01	17 635	-	17 635	-	5 323	12 312
Lawn Mower Gholf Course	9.7%	F N B	2012/005	2017/06/01	6 251	-	6 251	-	1 851	4 400
Sewerage Farm Merweville	6.8%	DBSA	103464/2	2025/06/30	2 198 516	-	2 198 516	-	149 837	2 048 679
Case Tractor CZ 7397	9.7%	F N B	2012/006	2017/06/01	103 809	-	103 809	-	31 358	72 451
Tata Truck 2 Ton Tipper CZ 5339	9.7%	F N B	2012/007	2017/06/01	109 117	-	109 117	-	32 978	76 139
Refuse Truck CZ 3484	10.9%	DBSA	103465/3	2017/06/30	467 932	-	467 932	-	139 847	328 085
Archimedes Sewerage Pump	9.7%	F N B	2012/008	2017/06/01	185 549	-	185 549	-	56 043	129 506
Electricity										
Load control syst RB12/5/98 IT 2	14.0%	DBSA	10619	2019/03/31	1 295 277	-	1 295 277	-	194 215	1 101 062
Dyna Cherry Picker CZ 4930	9.5%	ABSA	80343235	2015/11/01	145 297	-	145 297	-	100 524	44 773
Compressor CZ 4860	9.5%	ABSA	80164276	2015/10/01	57 133	-	57 133	-	42 167	14 966
Truck with crane CZ 2954	10.9%	DBSA	103464/3	2017/06/30	366 731	-	366 731	-	109 612	257 119
Toyota Hilux 2L CZ 10975	8.6%	STANDARD	73702013/0001	2016/07/31	36 637	-	36 637	-	14 782	21 855
20MVA Transformer	10.9%	DBSA	103464/1	2029/07/31	4 195 675	-	4 195 675	-	112 736	4 082 939
Water Works										
Farm Hansrivier	10.9%	DBSA	103464/1	2029/07/31	1 858 387	-	1 858 387	-	49 847	1 808 540
Pressure Control System	10.9%	DBSA	103464/1	2029/07/31	596 966	-	596 966	-	16 080	580 886
Trailer CZ 6253	8.6%	STANDARD	72702013/0002	2016/07/31	12 687	-	12 687	-	5 807	6 880
Telemetry System	9.7%	F N B	2012/009	2017/06/01	250 109	-	250 109	-	75 560	174 549
Water Purification Fencing	9.7%	F N B	2012/010	2017/06/01	98 012	-	98 012	-	29 584	68 428
Total Annuity Loans					13 544 430	-	13 544 430	-	1 516 354	12 028 075

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at	Correction of	Balance at	Received	Redeemed	Balance at
					30 June 2014					
					R	R	R	R	R	R
LEASE LIABILITY										
CZ 16750 - Isuzu	12.00%		Dir: Engineering Services	2011/08/31	-	-	-	-	-	-
Nashua Ricoh MP6001	12.02%		Dir: Corporate Services	2012/11/30	-	-	-	-	-	-
AR1206 Multifunction System	11.97%		Church Street Library	2012/07/31	-	-	-	-	-	-
CZ 1902 Toyota Corolla 1.4 Prof	12.14%		Dir: Traffic Services	2012/06/30	-	-	-	-	-	-
CZ 1863 Toyota Hilux 2.5 D-4D P/U S/C	12.02%		Street works & Storm Water	2012/06/30	-	-	-	-	-	-
CZ 1883 Toyota Corolla 1.4 Prof	12.14%		Dir: Traffic Services	2012/06/30	-	-	-	-	-	-
CZ 1873 Toyota Hilux 2.5 D-4D P/U S/C	12.02%		Water Reticulation	2012/06/30	-	-	-	-	-	-
CZ 1877 Toyota Hilux 2.5 D-4D P/U S/C	12.02%		Municipal Buildings	2012/06/30	-	-	-	-	-	-
CZ 1876 Toyota Hilux 2.5 D-4D P/U S/C	12.02%		Water Reticulation	2012/06/30	-	-	-	-	-	-
CZ 3359 Toyota Yaris T3 A/C	11.94%		Building Control	2013/03/31	-	-	-	-	-	-
CZ 3363 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	-	-	-	-	-	-
CZ 3368 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Reticulation: High Voltage	2013/03/31	-	-	-	-	-	-
CZ 3370 Toyota Yaris T3 A/C	11.94%		Dir: Financial Services	2013/03/31	-	-	-	-	-	-
CZ 3373 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Recreation Sites	2013/03/31	-	-	-	-	-	-
CZ 3439 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Reticulation: High Voltage	2013/03/31	-	-	-	-	-	-
CZ 3457 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	-	-	-	-	-	-
CZ 3465 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	-	-	-	-	-	-
CZ 2543 Toyota Hilux 2.5 D-4D P/U S/C	11.99%		Dir: Electricity Services	2012/08/31	-	-	-	-	-	-
CZ 2533 Toyota Corolla 1.3 Impact	12.03%		Dir: Traffic Services	2012/08/31	-	-	-	-	-	-
CZ 3947 HILUX 2.5 D-4D SRX 4X4 P/U S	11.99%		Water Purification	2013/06/30	-	-	-	-	-	-
CZ 6725 LDV TOYOTA	9.00%	1	Dir: Traffic Services	2014/10/13	12 268	-	12 268	-	12 268	0
MP4001	9.00%	1	Dir: Engineers Services	2014/09/30	6 151	-	6 151	-	6 151	0
MPC5501	9.00%	1	Dir: Corporate Services	2014/08/31	10 373	-	10 373	-	10 373	(0)
AR1206 Multifunction System	9.00%		Dir: Traffic Services	2013/03/31	-	-	-	-	-	-
AR2060 Multifunction System	9.00%		Dir: Traffic Services	2013/03/31	-	-	-	-	-	-
AR1258 Multifunction System	9.00%		Housing Office	2013/03/31	-	-	-	-	-	-
CZ 8282 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Street works & Storm Water	2016/02/28	82 143	-	82 143	-	47 888	34 255
CZ 8340 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/02/28	84 860	-	84 860	-	49 656	35 204
CZ 8341 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/02/28	82 142	-	82 142	-	47 887	34 254
CZ 8343 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Municipal Buildings	2016/02/28	82 141	-	82 141	-	47 887	34 254
CZ 8408 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	2	Reticulation High	2016/04/30	90 547	-	90 547	-	47 643	42 904
CZ 8410 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Recreation Sites	2016/04/30	79 179	-	79 179	-	48 766	30 413
CZ 8414 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Dir: Engineers Services	2016/04/30	80 212	-	80 212	-	42 205	38 007
CZ 8415 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/04/30	90 550	-	90 550	-	47 644	42 905
CZ 8418 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/04/30	90 552	-	90 552	-	47 646	42 906
CZ 8419 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/04/30	95 287	-	95 287	-	47 644	47 643
CZ 8421 TOYOTA YARIS ZEN3 ACS	8.50%	1	Dir: Financial Services	2016/04/30	63 273	-	63 273	-	33 293	29 981
CZ 8422 TOYOTA YARIS ZEN3 ACS	8.50%	1	Building Control	2016/04/30	63 275	-	63 275	-	33 293	29 982
Machine Photocopy Kyocera FS1128	9.00%	1	Thusong Centre	2016/08/30	45 719	-	45 719	-	20 001	25 718
Machine Photocopy Kyocera FS 6025	9.00%	1	Thusong Centre	2016/07/30	59 068	-	59 068	-	26 979	32 089
PABX TELEPHONE SYSTEM	9.00%	1	Thusong Centre	2016/03/30	27 335	-	27 335	-	14 099	13 237
CCTV CAMERA'S	20.50%	1	Dir: Financial Services	2015/09/30	15 647	-	15 647	-	12 191	3 456
CCTV CAMERA'S	9.00%	1	Thusong Centre	2014/07/30	2 623	-	2 623	-	2 623	0
CZ 2078 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Street works & Storm Water	2016/09/30	110 398	-	110 398	-	46 479	63 918
CZ 2477 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Murraysburg Refuse Removal	2016/09/30	110 398	-	110 398	-	46 479	63 918
CZ 4155 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Murraysburg Water Reticulation	2016/09/30	118 458	-	118 458	-	49 873	68 585
CZ 8684 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Street works & Storm Water	2016/09/30	118 458	-	118 458	-	49 873	68 585
CZ 8685 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Reticulation	2016/09/30	118 458	-	118 458	-	49 873	68 585
CZ 8686 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Street works & Storm Water	2016/09/30	118 458	-	118 458	-	49 873	68 585
CZ 8687 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	1	Recreation Sites	2016/09/30	118 458	-	118 458	-	49 873	68 585
CZ 5753 SEDAN TOYOTA ETIO'S	8.50%	1	Dir: Traffic Services	2016/09/30	87 944	-	87 944	-	37 026	50 918
CZ 5136 SEDAN TOYOTA ETIO'S	8.50%	1	Dir: Traffic Services	2016/09/30	87 944	-	87 944	-	37 026	50 918
CZ 6192 SEDAN TOYOTA ETIO'S	8.50%	1	Dir: Traffic Services	2016/09/30	87 944	-	87 944	-	37 026	50 918
CZ 8563 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%	3	Water Purification	2016/06/30	90 315	-	90 315	-	41 366	48 949
CZ 1096 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	3	Water Reticulation	2016/11/30	129 276	-	129 276	-	50 306	78 970
CZ 5366 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	1	Street works & Storm Water	2016/10/30	122 426	-	122 426	-	49 522	72 904
CZ 4988 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	1	Municipal Buildings	2016/10/30	115 256	-	115 256	-	46 622	68 635

**APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at	Correction of	Balance at	Received	Redeemed	Balance at
					30 June 2014					
					R	R	R	R	R	R
CZ 4296 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	3	Water Purification	2016/10/30	104 316	-	104 316	-	42 196	62 120
CZ 2295 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	1	Fire Brigade	2016/10/30	110 557	-	110 557	-	44 721	65 836
CZ 1461 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	1	Refuse Removal	2016/10/30	125 244	-	125 244	-	50 662	74 582
CZ 8728 SEDAN TOYOTA ETIO'S	8.50%	1	Housing Office	2016/10/30	81 221	-	81 221	-	32 854	48 367
CZ 6743 ISUZU KB250D LEED FLEETSIDE P/U S	8.50%	3	Water Purification	2016/11/30	135 740	-	135 740	-	52 821	82 919
CZ 3697 TRUCK NISSAN UD 90B F/C C/C	8.50%	1	Refuse Removal	2017/01/30	893 441	-	893 441	-	322 870	570 571
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Dir: Financial Servics	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Dir: Financial Servics	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Kwa Mandlenkosi Office	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Dir: Financial Servics	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Dir: Traffic Services	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Dir: Traffic Services	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Traffic Court	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Housing Office	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY RICOH MP2501spf	8.50%	1	Fire Brigade	2017/03/30	16 853	-	16 853	-	5 680	11 174
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%	1	General Expenses	2017/03/30	6 616	-	6 616	-	2 230	4 387
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%	1	Dir: Community Services	2017/03/30	46 267	-	46 267	-	15 592	30 675
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%	2	Admin: Electrical	2017/03/30	24 844	-	24 844	-	8 373	16 472
CZ 9005 ISUZU KB250D LEED FLEETSIDE P/U S	9.00%	1	Dir: Community Services	2017/05/30	156 954	-	156 954	-	49 258	107 696
CZ 4033 ISUZU KB 250D LEED FLEETSIDE P/U S/C	9.25%	1	Dir: Traffic Services	2017/09/30				160 276	36 016	124 260
MACHINE FRANKING NEOPOST IJ - 40	9.25%	1	Dir: Financial Services	2017/06/30				52 072	10 456	41 616
MACHINE PHOTOCOPY NASHUA MP 2501SPF	9.25%	1	Dir: Financial Services	2017/11/10				19 700	2 917	16 783
MACHINE PHOTOCOPY NASHUA MPC6502SP	9.25%	1	Dir: Corporate Services	2018/03/30				209 541	15 335	194 205
CZ 7488 ISUZU KB 250D LEED FLEETSIDE P/U S/C	9.25%	2	Reticulation Low	2018/04/30				174 002	8 457	165 545
CZ 9327 ISUZU KB 250D LEED FLEETSIDE P/U S/C	9.25%	2	Reticulation High	2018/04/30				174 002	8 457	165 545
Total Lease Liabilities					4 534 416	-	4 534 416	789 592	2 041 682	3 282 326
TOTAL EXTERNAL LOANS					18 078 846	-	18 078 846	789 592	3 558 036	15 310 401

APPENDIX B - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
MUNICIPAL VOTES CLASSIFICATION

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
496 485	(2 903 338)	(2 406 853)	Admin: Commun Serv	1 111 581	(2 806 467)	(1 694 886)
-	(18 238 597)	(18 238 597)	Admin: Corp Serv	52 501 329	(9 124 021)	43 377 308
3 387 243	(7 978 926)	(4 591 683)	Admin: Electrical	23 232 571	(23 792 664)	(560 093)
230 514	(3 425 724)	(3 195 210)	Admin: Engineering Serv	273 845	(3 278 655)	(3 004 810)
6 133 111	(9 555 554)	(3 422 443)	Admin: Fin Serv	10 316 562	(13 451 714)	(3 135 152)
1 123	(556 514)	(555 391)	Admin: Nelspoort	4 544	(629 813)	(625 269)
40 800 155	(37 154 410)	3 645 745	Admin: Traffic	45 994 585	(42 144 643)	3 849 942
111 013	(2 843 164)	(2 732 151)	Admin: Water	114 968	(2 763 412)	(2 648 444)
95 227	(784 219)	(688 992)	Building Control	96 184	(730 972)	(634 788)
168 948	(710 748)	(541 800)	Cemeteries	165 173	(565 196)	(400 023)
-	(1 649 860)	(1 649 860)	Fire Brigade	-	(1 902 393)	(1 902 393)
24 081 066	(13 387 525)	10 693 541	General Expenses	24 897 943	(11 273 275)	13 624 668
28 595 346	(29 476 892)	(881 546)	Housing Office	3 195 587	(4 288 237)	(1 092 650)
60 000	(145 452)	(85 452)	IDP: Co-Ordinator	124 256	(191 675)	(67 419)
-	(1 318 194)	(1 318 194)	Information Technology	-	(1 616 730)	(1 616 730)
7 953	(56 967)	(49 014)	Irrigation Water	7 995	(56 307)	(48 312)
4 370	(115 380)	(111 010)	Kwa-Mand Comm Hall	17 300	(84 987)	(67 687)
-	(622 110)	(622 110)	Kwa-Mand Office	-	(608 157)	(608 157)
1 276 937	(1 286 263)	(9 326)	Library Church Street	1 554 464	(1 480 821)	73 643
1 290 902	(1 079 797)	211 105	Library Mimoso	1 349 706	(1 264 342)	85 364
119 393	(122 321)	(2 928)	Library Nelspoort	266 690	(167 027)	99 663
23 377	(33 313)	(9 936)	Main Road	696 316	(1 029 572)	(333 256)
1 316	(1 644 254)	(1 642 938)	Mechanical Workshop	-	(1 907 064)	(1 907 064)
296 273	(4 526 548)	(4 230 275)	Municipal Buildings	360 587	(4 763 179)	(4 402 592)
164 290	(1 892 231)	(1 727 941)	Municipal Manager	328 196	(2 196 624)	(1 868 428)
21 272 839	-	21 272 839	Municipal Rates	22 957 370	-	22 957 370
2 198	(23 327)	(21 129)	Pound	1 374	(15 455)	(14 081)
420	-	420	Private Work	1 727	-	1 727
978 450	(6 655 300)	(5 676 850)	Recreation Sites	1 736 408	(6 329 869)	(4 593 461)
6 068 813	(7 221 348)	(1 152 535)	Refuse Removal	6 822 414	(12 397 785)	(5 575 371)
3 426 772	(3 261 491)	165 281	Reticulation: H Volt	6 394 327	(3 245 735)	3 148 592
59 694 224	(46 353 608)	13 340 616	Reticulation: L Volt	61 628 773	(47 746 326)	13 882 447
12 253	(138 080)	(125 827)	Rustdene Comm Hall	18 259	(53 005)	(34 746)
-	(412 261)	(412 261)	Rustdene Office	-	(308 878)	(308 878)
112	-	112	S/E 1 Rustdene	(16 136)	-	(16 136)
219 217	(219 218)	(1)	S/E 4 Rustdene	169 604	(185 524)	(15 920)
30 594	(30 594)	-	S/E 8 Rustdene	20 911	(20 912)	(1)
14 193	(14 193)	-	S/E 9 Rustdene	9 597	(9 597)	-
126 452	(554 382)	(427 930)	Service Connections	200 327	(265 672)	(65 345)
459 938	(3 870 402)	(3 410 464)	Sewerage Farm	-	(4 137 504)	(4 137 504)
16 632 114	(1 893 074)	14 739 040	Sewerage System	25 561 591	(4 853 617)	20 707 974
-	(2 017 646)	(2 017 646)	Stores	84 911	(1 861 377)	(1 776 466)
-	(1 286 896)	(1 286 896)	Street Cleansing	-	(1 586 525)	(1 586 525)
3 472 277	(4 451 263)	(978 986)	Street Lightening	780 606	(4 775 589)	(3 994 983)
7 328 893	(13 005 041)	(5 676 148)	Street works & Storm Water	11 248 876	(13 394 171)	(2 145 295)
45 147	(350 027)	(304 880)	Swimming Pool Birds	59 628	(360 004)	(300 376)
37 543	(323 004)	(285 461)	Swimming Pool Nieuveld	47 784	(397 302)	(349 518)
-	(300 163)	(300 163)	Tourism	-	(334 748)	(334 748)
14 464	(11 301)	3 163	Town Commorange	9 691	(83 882)	(74 191)
-	(800 692)	(800 692)	Traffic Court	-	(838 495)	(838 495)
-	(70 556)	(70 556)	Traffic Lights	-	(55 701)	(55 701)
63 995	(168 571)	(104 576)	Vacuum Services	39 450	(187 352)	(147 902)
575 394	(360 551)	214 843	Vehicle Registration	649 197	(388 592)	260 605
168 706	(457 849)	(289 143)	Vehicle Testing Station	160 215	(386 476)	(226 261)
26 581	(10 069 126)	(10 042 545)	Water Purification	18 695	(11 984 742)	(11 966 047)
19 655 374	(5 923 511)	13 731 863	Water Reticulation	24 025 434	(6 943 570)	17 081 864
211 789	(583 707)	(371 918)	Internal Audit	126 224	(508 491)	(382 267)
54 758	(646 553)	(591 795)	Labour Relations	488 545	(640 915)	(152 370)
2 390 875	(1 077 722)	1 313 153	Murraysburg Administration	2 898 458	(1 203 035)	1 695 423
3 220 189	(3 804 831)	(584 642)	Murraysburg Electricity	3 460 635	(4 672 007)	(1 211 372)
494 955	(480 424)	14 531	Murraysburg Library	709 602	(592 583)	117 019
1 519 391	-	1 519 391	Murraysburg Municipal Rates	1 625 654	-	1 625 654
199 643	(273 001)	(73 358)	Murraysburg Recreation Site	236 950	(127 645)	109 305
-	-	-	Murraysburg Sewerage	388 994	-	388 994
1 373 674	(1 904 797)	(531 123)	Murraysburg Refuse Removal	857 661	(2 246 889)	(1 389 228)
219 901	(976 491)	(756 590)	Murraysburg Street Works & Storm Water	-	(2 296 652)	(2 296 652)
5 365	(77 761)	(72 396)	Murraysburg Swimming Pool	2 667	(59 715)	(57 048)
1 469 838	(1 234 443)	235 395	Murraysburg Water Works	1 223 924	(1 695 017)	(471 093)
224 704	(419 473)	(194 769)	Thusong Centre	962 634	(537 971)	424 663
24 022	(131 695)	(107 673)	Wheely Wagon Kwa Mandlenkosi	195 069	(156 792)	38 277
45 409	(286 826)	(241 417)	Murraysburg - Thusong Centre	50 907	(339 700)	(288 793)
259 126 518	(263 649 500)	(4 522 982)	Sub Total	342 469 339	(270 383 959)	72 085 380
-	9 358 426	9 358 426	Less Inter-Departmental Charges	-	11 275 683	11 275 683
259 126 518	(254 291 074)	4 835 444	Total	342 469 339	(259 108 276)	83 361 063

APPENDIX C - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
24 511 903	(16 810 179)	7 701 724	Executive & Council	25 840 908	(14 954 053)	10 886 855
31 317 339	(14 241 807)	17 075 532	Budget & Treasury	37 887 499	(18 062 974)	19 824 525
310 737	(24 094 640)	(23 783 903)	Corporate Services	52 871 607	(15 587 812)	37 283 795
385 741	(4 355 395)	(3 969 654)	Planning & Development	494 285	(4 201 302)	(3 707 017)
4 160 576	(7 697 672)	(3 537 096)	Community & Social Services	6 402 759	(8 104 541)	(1 701 782)
28 859 462	(29 740 897)	(881 435)	Housing	3 379 563	(4 504 270)	(1 124 707)
40 800 155	(39 604 962)	1 195 193	Public Safety	45 994 585	(44 885 531)	1 109 054
1 266 148	(7 679 093)	(6 412 945)	Sport & Recreation	2 083 437	(7 274 535)	(5 191 098)
7 442 487	(10 413 041)	(2 970 554)	Waste Management	7 680 075	(16 231 199)	(8 551 124)
17 156 047	(5 932 047)	11 224 000	Waste Water Management	25 990 035	(9 178 473)	16 811 562
8 317 587	(16 477 499)	(8 159 912)	Road Transport	12 754 604	(19 402 527)	(6 647 923)
21 270 759	(20 127 211)	1 143 548	Water	25 391 016	(23 443 048)	1 947 968
73 327 577	(66 475 057)	6 852 520	Electricity	95 698 966	(84 553 694)	11 145 272
259 126 518	(263 649 500)	(4 522 982)	Sub Total	342 469 339	(270 383 959)	72 085 380
-	9 358 426	9 358 426	Less Inter-Departmental Charges	-	11 275 683	11 275 683
259 126 518	(254 291 074)	4 835 444	Total	342 469 339	(259 108 276)	83 361 063

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2014	Correction of error	Restated balance 1 July 2014	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest	VAT	Operating Expenditure during the year	Capital Expenditure during the year	Refund to Donor	Transfer out	Balance 30 June 2015	Unspent 30 June 2015 (Creditor)	Unpaid 30 June 2015 (Debtor)
UNSPENT/UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS															
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
NATIONAL															
Finance Management Restruct.	(266 767)		(266 767)		1 600 000			139 674	1 420 367	39 960		-	(266 767)	-	(266 767)
132/22KV Substation & 20 MVA Transformer	4 621 105		4 621 105	2 668 428	-			895 206	-	6 394 327			-	-	-
Electrification of Central Karoo	-		-		27 500 000			3 161 278	19 030 703	3 340 708		2 668 428	(701 117)	-	(701 117)
MSIG 2014/2015	0		0		934 000			32 343	719 364	-		-	182 293	182 293	-
Expanded Public Works Programme	(95 942)		(95 942)		1 834 000			-	-	1 834 000		-	-	(95 942)	-
Exploration Aquifers	178 965		178 965		-			2 617	-	18 695		-	157 653	157 653	-
Energy efficiency demand (EEDMS)	-		-		4 000 000			483 231	3 648 395	-		-	(131 626)	-	(131 626)
Install Pre-paid Water Meters	-		-		1 000 000			112 066	887 934	-		-	-	-	-
PROVINCIAL															
Community Development Workers (CDW's)	(84 034)		(84 034)		192 367	1	-	-	303 564	-	-	-	(195 230)	-	(195 230)
Consumer Housing Education Program	100 579		100 579		-	5 060		-	14 600	-	-	-	91 039	91 039	-
Project Provincial Funds	30 895		30 895		-	1 539		-	-	-	-	-	32 434	32 434	-
Project Preparation Grant Planning	157 580		157 580		-	7 816		-	-	-	-	-	165 396	165 396	-
Public Transport Infrastructure	102 725		102 725		-	-		-	-	81 150		-	21 575	21 575	-
Rezoning Scheme Regulations	13 613		13 613		-	678		-	-	-	-	-	14 291	14 291	-
Sanitation Master Plan	10 294		10 294		-	513		-	-	-	-	-	10 807	10 807	-
Tourisme Potential Nelspoort	67 431		67 431		-	3 902		-	-	-	-	-	71 333	71 333	-
Tourisme Tokens	7 533		7 533		-	375		-	-	-	-	-	7 908	7 908	-
Upgrading electricity network Nelspoort	139 582		139 582		-	6 418		-	-	-	-	-	146 000	146 000	-
Public Library Services	372 632		372 632	4 451 000	78 524	-	67 741	3 585 363	471 631	-	-	-	777 421	777 421	-
Water Masterplan	12 919		12 919	-	641	-	-	-	-	-	-	-	13 560	13 560	-
Soup Kitchens	7 382		7 382	-	364	-	-	-	-	-	-	-	7 745	7 745	-
IDP Review	-		-	200 000	5 022	-	14 509	124 256	-	-	-	-	66 257	66 257	-
Performance Management	-		-	200 000	5 022	-	-	205 022	-	-	-	-	-	-	-
Municipal Infrastructure Support Grant	-		-	500 000	10 814	-	-	-	-	-	-	-	510 814	510 814	-
Disaster Recovery Plan	-		-	300 000	3 886	-	-	-	-	-	-	-	303 886	303 886	-
Organisational Structure Review	-		-	500 000	-	-	-	-	-	-	-	-	500 000	500 000	-
Management Support Grant	949 191		949 191	1 686 505	90 811	-	115 653	1 284 864	21 114	112 708	-	-	1 192 168	1 192 168	-
240 Irdp Dwellings Asla	4 415		4 415	1 676 137	2 185	-	-	1 680 000	-	-	-	-	2 737	2 737	-
Upgrading sport facilities Murrysburg	357		357	-	-	-	-	-	-	-	-	-	357	357	-
S3 & S4 Services	13 010		13 010	12 845 423	1 132	-	-	-	-	12 845 423	-	-	14 142	14 142	-
55 Consolidation Scheme Kwa Mandlenkosi	60 630		60 630	-	229	-	7 446	53 184	-	-	-	-	229	229	-
Xhoxha dwellings	107 165		107 165	-	1 306	-	11 193	79 948	-	-	-	-	17 330	17 330	-
274 IRDP Dwellings	-		-	1 367 853	-	-	-	1 367 854	-	-	-	-	(1)	-	(1)
Thusong Centre Murrysburg	-		-	222 000	-	-	-	-	-	-	-	-	222 000	222 000	-
Main Road Subsidy	-		-	793 800	-	-	97 484	696 316	-	-	-	-	-	-	-
MIG															
Bulk water supply	-		-	-	-	-	-	-	-	-	-	-	-	-	-
External Stormwater Nelspoort	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Upgrade Sport Stadium Kwa-Mandlenkosi	-		-	2 359 612	-	-	20 750	-	254 276	-	2 084 586	-	-	-	-
Sewerage Pump Station AREA 8	-		786 492	-	-	-	96 587	-	689 905	-	-	-	-	-	-
PMU	-		-	305 318	-	-	370	271 205	2 640	-	31 103	-	-	-	-
Upgrage Gravel Roads	-		914 775	2 401 391	-	-	375 473	-	2 484 506	-	456 186	-	-	-	-
Streetlights Kwa-Mandlenkosi Road	-		0	211 778	-	-	26 008	-	185 770	-	-	-	-	-	-
Retention Dams	-		64 651	-	-	-	7 940	-	56 712	-	-	-	-	-	-
Upgrade S/Water Channel Murrysburg	-		-	100 000	-	-	-	-	-	-	100 000	-	-	-	-

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2014	Correction of error	Restated balance 1 July 2014	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest	VAT	Operating Expenditure during the year	Capital Expenditure during the year	Refund to Donor	Transfer out	Balance 30 June 2015	Unspent 30 June 2015 (Creditor)	Unpaid 30 June 2015 (Debtor)
New Refuse Transfer Station	-	-	-	-	99 858	106 000	-	-	18 203	-	130 020	-	57 635	-	-
Rehabilitation Roads : Murraysburg	-	-	-	-	661 535	-	-	-	19 844	-	141 741	-	499 951	-	-
Upgrade/Extention of Water Supply Murraysburg	1	-	1	0	54 540	-	-	-	6 698	-	47 842	-	-	-	-
Investigation Aquifers	-	-	-	-	364 810	59 548	-	-	44 801	-	320 009	-	59 548	-	-
Pressure Reduction Water (PRV's)	-	-	-	-	99 858	-	-	-	-	-	-	-	99 858	-	-
High Mast Lights Greater Beaufort West	(62 825)	-	(62 825)	-	661 209	-	-	-	78 412	-	560 089	-	22 708	(62 825)	-
Nelspoort Bulk Water	(102 751)	-	(102 751)	1 202 613	2 281 864	-	-	-	208 772	-	1 491 231	-	1 784 473	(102 751)	-
External Sewerage Line Buitekant Street	-	-	-	151 320	1 560 329	-	-	-	210 203	-	1 501 446	-	-	-	-
Rehabilite Oxidation Ponds : Nelspoort	-	-	-	401 766	1 123 320	-	-	-	67 761	-	484 005	-	973 320	-	-
Flood Lighting Rustdene Sport Field	-	-	-	40 317	1 000 000	-	-	-	127 093	-	907 804	-	5 420	-	-
Flood Lighting Merweville Sport Field	0	-	0	64 652	500 000	-	-	-	61 404	-	438 597	-	64 651	-	-
Upgrade Pieter Street	-	-	-	3 112 227	406 442	-	-	-	384 359	-	2 745 419	-	388 891	-	-
Upgrade Setlaars, Paarden Perl Streets Murraysburg	-	-	-	499 951	1 540 663	-	-	-	146 710	-	1 047 929	-	845 974	-	-
Upgrade Dilso & Matshaka Road Kwa-Mandlenkosi	-	-	-	552 288	1 311 593	-	-	-	132 935	-	949 533	-	781 414	-	-
ESKOM															
Electrification Central Karoo	-	-	-	-	225 695	-	-	-	225 695	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT															
Arts & Crafts	32 944	-	32 944	-	-	1 982	-	-	-	-	-	-	34 926	34 926	-
ESKOM															
Electrification Central Karoo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LOTTERY															
Upgrading Rustdene Sport Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CKDM															
Website	8 366	-	8 366	-	-	417	-	-	-	-	-	-	8 783	8 783	-
Expanded Public Works Programme	(58 060)	-	(58 060)	-	359 775	-	-	-	359 775	-	-	-	(58 060)	-	(58 060)
Expanded Public Works Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi Purpose Centre - Murraysburg	136 249	-	136 249	-	-	-	-	-	-	-	-	-	136 249	136 249	-
Total	6 465 185	-	6 465 185	10 924 146	79 133 555	228 636	-	7 174 761	37 792 410	37 652 483	112 708	10 924 146	3 095 014	4 709 333	(1 614 319)
UNSPENT/UNPAID CONDITIONAL PUBLIC CONTRIBUTION															
PRIVAT															
Disaster Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrification Central Karoo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beneficiaries Merweville Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merweville Library Alteration	139 052	-	139 052	-	-	6 903	-	-	-	-	-	-	145 955	145 955	-
Total	139 052	-	139 052	-	-	6 903	-	-	-	-	-	-	145 955	145 955	-
Total Receipts	6 604 237	-	6 604 237	10 924 146	79 133 555	235 539	-	7 174 761	37 792 410	37 652 483	112 708	10 924 146	3 240 969	4 855 288	(1 614 319)

APPENDIX E (1) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Description R thousand	2014/15							2013/14 Restated Audited Outcome
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
Revenue - Standard								
<i>Governance and administration</i>	72 468	(12 094)	60 374	116 600	56 226	193.1%	160.9%	56 140
Executive and council	39 089	(12 590)	26 499	25 841	(658)	97.5%	66.1%	24 512
Budget and treasury office	32 894	(364)	32 530	37 887	5 358	116.5%	115.2%	31 317
Corporate services	485	860	1 345	52 872	51 526	3929.6%	10891.0%	311
<i>Community and public safety</i>	30 912	35 756	66 668	57 860	(8 808)	86.8%	187.2%	75 086
Community and social services	6 087	347	6 433	6 403	(30)	99.5%	105.2%	4 161
Sport and recreation	3 226	(254)	2 972	2 083	(889)	70.1%	64.6%	1 266
Public safety	16 220	23 845	40 065	45 995	5 930	114.8%	283.6%	40 800
Housing	5 380	11 819	17 198	3 380	(13 819)	19.7%	62.8%	28 859
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	8 967	4 091	13 058	13 249	191	101.5%	147.8%	8 703
Planning and development	452	635	1 087	494	(593)	45.5%	109.4%	386
Road transport	8 515	3 456	11 971	12 755	784	106.5%	149.8%	8 318
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	142 816	11 506	154 322	131 528	(22 794)	85.2%	92.1%	115 810
Electricity	101 801	6 623	108 424	72 466	(35 957)	66.8%	71.2%	69 940
Water	18 471	3 763	22 233	25 391	3 158	114.2%	137.5%	21 271
Waste water management	16 279	3	16 282	25 990	9 708	159.6%	159.7%	17 156
Waste management	6 266	1 117	7 383	7 680	297	104.0%	122.6%	7 442
<i>Other</i>	–	–	–	–	–	–	–	–
Total Revenue - Standard	255 163	39 259	294 422	319 237	24 815	108.4%	125.1%	255 739
Expenditure - Standard								
<i>Governance and administration</i>	43 257	3 598	46 855	47 725	870	101.9%	110.3%	54 530
Executive and council	14 980	269	15 250	14 947	(302)	98.0%	99.8%	16 802
Budget and treasury office	15 169	2 215	17 384	17 672	287	101.7%	116.5%	14 069
Corporate services	13 108	1 114	14 221	15 107	885	106.2%	115.2%	23 660
<i>Community and public safety</i>	37 042	23 124	60 165	63 250	3 085	105.1%	170.8%	83 680
Community and social services	9 231	(253)	8 978	7 663	(1 315)	85.3%	83.0%	7 291
Sport and recreation	6 827	(277)	6 550	6 244	(306)	95.3%	91.5%	7 099
Public safety	14 570	23 486	38 056	44 839	6 783	117.8%	307.7%	39 548
Housing	6 413	168	6 581	4 504	(2 077)	68.4%	70.2%	29 741
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	27 564	(1 192)	26 371	23 159	(3 213)	87.8%	84.0%	20 499
Planning and development	4 805	523	5 328	4 115	(1 213)	77.2%	85.6%	4 273
Road transport	22 758	(1 715)	21 043	19 043	(2 000)	90.5%	83.7%	16 227
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	137 781	(6 692)	131 089	101 742	(29 347)	77.6%	73.8%	92 194
Electricity	97 543	(7 435)	90 108	56 808	(33 299)	63.0%	58.2%	58 979
Water	22 752	(1 852)	20 900	20 486	(413)	98.0%	90.0%	17 759
Waste water management	6 341	1 107	7 448	8 216	768	110.3%	129.6%	5 045
Waste management	10 813	1 488	12 302	16 231	3 930	131.9%	150.1%	10 411
<i>Other</i>	332	0	332	–	(332)	–	–	–
Total Expenditure - Standard	245 643	18 837	264 481	235 876	(28 605)	89.2%	96.0%	250 904
Surplus/(Deficit) for the year	9 520	20 421	29 941	83 361	53 420	278.4%	875.7%	4 835

APPENDIX E (2) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Description R thousand	2014/15							2013/14 Restated Audited Outcome
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
Revenue by Vote								
Executive and Council	39 089	(12 590)	26 499	25 841	(658)	97.5%	66.1%	24 512
Budget and Treasury Office	32 894	(364)	32 530	37 887	5 358	116.5%	115.2%	31 317
Corporate Services	485	860	1 345	52 872	51 526	3929.6%	10891.0%	311
Community and Social Services	6 087	347	6 433	6 403	(30)	99.5%	105.2%	4 161
Sport and Recreation	3 226	(254)	2 972	2 083	(889)	70.1%	64.6%	1 266
Public Safety	16 220	23 845	40 065	45 995	5 930	114.8%	283.6%	40 800
Road Transport	8 515	3 456	11 971	12 755	784	106.5%	149.8%	8 318
Electricity	101 801	6 623	108 424	72 466	(35 957)	66.8%	71.2%	69 940
Water	18 471	3 763	22 233	25 391	3 158	114.2%	137.5%	21 271
Waste Water Management	16 279	3	16 282	25 990	9 708	159.6%	159.7%	17 156
Waste Management	6 266	1 117	7 383	7 680	297	104.0%	122.6%	7 442
Environmental Protection	-	-	-	-	-	-	-	-
Other	5 832	12 454	18 285	3 874	(14 411)	21.2%	66.4%	29 245
Example 14 - Vote14			-	-	-	-	-	
Example 15 - Vote15			-	-	-	-	-	
Total Revenue by Vote	255 163	39 259	294 422	319 237	24 815	108.4%	125.1%	255 739
Expenditure by Vote to be appropriated								
Executive and Council	14 980	269	15 250	14 947	(302)	98.0%	99.8%	16 802
Budget and Treasury Office	15 169	2 215	17 384	17 672	287	101.7%	116.5%	14 069
Corporate Services	13 108	1 114	14 221	15 107	885	106.2%	115.2%	23 660
Community and Social Services	9 231	(253)	8 978	7 663	(1 315)	85.3%	83.0%	7 291
Sport and Recreation	6 827	(277)	6 550	6 244	(306)	95.3%	91.5%	7 099
Public Safety	14 570	23 486	38 056	44 839	6 783	117.8%	307.7%	39 548
Road Transport	22 758	(1 715)	21 043	19 043	(2 000)	90.5%	83.7%	16 227
Electricity	97 543	(7 435)	90 108	56 808	(33 299)	63.0%	58.2%	58 979
Water	22 752	(1 852)	20 900	20 486	(413)	98.0%	90.0%	17 759
Waste Water Management	6 341	1 107	7 448	8 216	768	110.3%	129.6%	5 045
Waste Management	10 813	1 488	12 302	16 231	3 930	131.9%	150.1%	10 411
Environmental Protection	-	-	-	-	-	-	-	-
Other	11 551	691	12 241	8 620	(3 622)	70.4%	74.6%	34 014
Total Expenditure by Vote	245 643	18 837	264 481	235 876	(28 605)	89.2%	96.0%	250 904
Surplus/(Deficit) for the year	9 520	20 421	29 941	83 361	53 420	278.4%	875.7%	4 835

APPENDIX E (3) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE

Description R thousand	2014/15							2013/14 Restated Audited Outcome
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
Revenue By Source								
Property rates	24 364	–	24 364	24 583	219	100.9%	100.9%	22 792
Property rates - penalties & collection charges	620	–	620	474	(146)	76.4%	76.4%	400
Service charges	97 492	(927)	96 566	88 399	(8 166)	91.5%	90.7%	85 099
Rental of facilities and equipment	845	9	854	1 678	823	196.4%	198.5%	815
Interest earned - external investments	1 060	–	1 060	1 893	833	178.6%	178.6%	1 012
Interest earned - outstanding debtors	1 716	80	1 796	1 969	173	109.6%	114.7%	1 858
Dividends received	–	–	–	–	–	–	–	–
Fines	16 120	23 840	39 960	45 969	6 009	115.0%	285.2%	40 874
Licences and permits	648	0	648	539	(109)	83.1%	83.1%	546
Agency services	520	60	580	609	29	105.0%	117.2%	541
Transfers recognised - operational	83 796	1 559	85 355	76 782	(8 572)	90.0%	91.6%	77 919
Other revenue	4 944	(1 580)	3 364	9 379	6 015	278.8%	189.7%	5 560
Gains on disposal of PPE	–	–	–	–	–	0.0%	0.0%	–
Total Revenue (excluding capital transfers and contributions)	232 125	23 041	255 166	252 273	(2 893)	1107.4%	108.7%	237 415
Expenditure By Type								
Employee related costs	74 295	(1 995)	72 300	73 426	1 126	101.6%	98.8%	67 878
Remuneration of councillors	4 449	–	4 449	4 356	(93)	97.9%	97.9%	3 894
Debt impairment	3 000	23 840	26 840	40 121	13 281	149.5%	1337.4%	27 217
Depreciation & asset impairment	15 081	–	15 081	15 044	(37)	99.8%	99.8%	14 025
Finance charges	1 940	175	2 116	4 453	2 338	210.5%	229.5%	4 087
Bulk purchases	53 844	(2 320)	51 524	43 358	(8 166)	84.2%	80.5%	39 066
Other materials	21 053	454	21 507	18 143	(3 364)	84.4%	86.2%	17 408
Contracted services	7 907	228	8 135	7 999	(136)	98.3%	101.2%	11 540
Transfers and grants	60	–	60	64	4	107.4%	107.4%	60
Other expenditure	64 016	(1 546)	62 470	51 054	(11 415)	81.7%	79.8%	68 886
Loss on disposal of PPE	–	–	–	841	841	#DIV/0!	#DIV/0!	230
Total Expenditure	245 644	18 836	264 481	258 861	(5 620)	1404.1%	105.4%	254 291
Surplus/(Deficit)	(13 519)	4 205	(9 315)	(6 588)	2 727	70.7%	48.7%	(16 876)
Transfers recognised - capital	22 868	16 388	39 256	37 652	(1 603)	95.9%	164.6%	21 348
Contributions recognised - capital	170	(170)	–	–	–	–	–	–
Contributed assets	–	–	–	52 296	52 296	0.0%	0.0%	363
Surplus/(Deficit) for the year	9 519	20 422	29 941	83 361	53 420	278.4%	875.8%	4 835

APPENDIX E (4) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Description R thousand	2014/15							2013/14 Restated Audited Outcome
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
Capital expenditure - Vote								
Single-year expenditure								
Executive and Council	31	(8)	24	11	(12)	47.6%	36.1%	16
Budget and Treasury Office	104	(5)	99	195	96	196.9%	188.0%	125
Corporate Services	857	98	954	53 122	52 167	5567.1%	6202.2%	328
Community and Social Services	490	12 119	12 609	522	(12 087)	4.1%	106.4%	480
Sport and Recreation	3 200	(272)	2 928	337	(2 591)	11.5%	10.5%	883
Public Safety	465	(374)	92	166	74	180.9%	35.7%	635
Road Transport	7 123	3 366	10 489	8 044	(2 445)	76.7%	112.9%	6 690
Electricity	4 860	5 478	10 338	12 726	2 389	123.1%	261.9%	9 514
Water	5 859	(3 123)	2 736	1 539	(1 196)	56.3%	26.3%	5 433
Waste Water Management	4 942	(2 372)	2 570	15 841	13 271	616.3%	320.5%	5 612
Waste Management	940	37	977	130	(847)	13.3%	13.8%	1 780
Environmental Protection	–	–	–	–	–	–	–	–
Other	415	(331)	84	19	(65)	22.9%	4.7%	2
Example 14 - Vote14			–	–	–	–	–	–
Example 15 - Vote15			–	–	–	–	–	–
Capital single-year expenditure	29 286	14 613	43 899	92 652	48 753	211%	316%	31 499
Total Capital Expenditure - Vote	29 286	14 613	43 899	92 652	48 753	211%	316%	31 499
Capital Expenditure - Standard								
Governance and administration	991	86	1 077	53 327	52 251	4953.8%	5381.2%	470
Executive and council	31	(8)	24	11	(12)	47.6%	36.1%	16
Budget and treasury office	104	(5)	99	195	96	196.9%	188.0%	125
Corporate services	857	98	954	53 122	52 167	5567.1%	6202.2%	328
Community and public safety	4 174	11 473	15 647	1 029	(14 617)	6.6%	24.7%	1 998
Community and social services	490	12 119	12 609	522	(12 087)	4.1%	106.4%	480
Sport and recreation	3 200	(272)	2 928	337	(2 591)	11.5%	10.5%	883
Public safety	465	(374)	92	166	74	180.9%	35.7%	635
Housing	18	–	18	5	(13)	25.2%	25.2%	–
Health	–	–	–	–	–	–	–	–
Economic and environmental services	7 520	3 035	10 555	8 059	(2 497)	76.3%	107.2%	6 692
Planning and development	397	(331)	66	15	(51)	22.3%	3.7%	2
Road transport	7 123	3 366	10 489	8 044	(2 445)	76.7%	112.9%	6 690
Environmental protection	–	–	–	–	–	–	–	–
Trading services	16 601	20	16 621	30 237	13 616	181.9%	182.1%	22 339
Electricity	4 860	5 478	10 338	12 726	2 389	123.1%	261.9%	9 514
Water	5 859	(3 123)	2 736	1 539	(1 196)	56.3%	26.3%	5 433
Waste water management	4 942	(2 372)	2 570	15 841	13 271	616.3%	320.5%	5 612
Waste management	940	37	977	130	(847)	13.3%	13.8%	1 780
Other	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	29 286	14 613	43 899	92 652	48 753	211%	316%	31 499
Funded by:								
National Government	22 489	4 116	26 605	24 176	(2 430)	90.9%	107.5%	23 707
Provincial Government	379	12 272	12 651	13 419	769	106.1%	3538.8%	163
District Municipality	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–
Transfers recognised - capital	22 868	16 388	39 256	37 595	(1 661)	96%	164%	23 869
Public contributions & donations	170	–	170	52 296	52 126	30762.5%	30762.5%	363
Borrowing	2 460	–	2 460	790	(1 670)	32.1%	32.1%	4 093
Internally generated funds	3 788	(1 774)	2 014	1 972	(42)	97.9%	52.0%	3 173
Total Capital Funding	29 286	14 613	43 899	92 652	48 753	211%	316%	31 499

APPENDIX E (5) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CASH FLOWS

Description R thousand	2014/15							2013/14 Restated Audited Outcome
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	143 686	(6 191)	137 496	115 851	(21 645)	84.3%	80.6%	119 382
Government - operating	83 796	591	84 387	80 471	(3 916)	95.4%	96.0%	81 983
Government - capital	23 038	11 121	34 159	37 652	3 493	110.2%	163.4%	21 348
Interest	1 060	1 796	2 856	3 861	1 005	135.2%	364.3%	2 870
Dividends	–	–	–	–	–	–	–	–
Payments								
Suppliers and employees	(219 295)	(1 936)	(221 231)	(191 033)	30 197	86.4%	87.1%	(195 820)
Finance charges	(1 940)	(175)	(2 116)	(4 453)	(2 338)	210.5%	229.5%	(4 087)
Transfers and Grants	(60)	–	(60)	(64)	(4)	107.4%	107.4%	(60)
NET CASH FROM/(USED) OPERATING ACTIVITIES	30 285	5 206	35 492	42 284	6 793	119.1%	139.6%	25 616
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	222	13 586	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	472	–	472	1 941	1 470	411.7%	411.7%	(2 055)
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–
Payments								
Capital assets	(29 286)	(14 613)	(43 899)	(40 500)	3 399	92.3%	138.3%	(30 288)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(28 815)	(14 613)	(43 428)	(38 337)	5 091	88.3%	133.0%	(32 343)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2 460	–	2 460	790	(1 670)	32.1%	32.1%	4 092
Increase (decrease) in consumer deposits	84	–	84	–	(84)	–	–	–
Payments								
Repayment of borrowing	(2 935)	–	(2 935)	(3 558)	(623)	121.2%	121.2%	(3 526)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(391)	–	(391)	(2 768)	(2 377)	707.9%	707.9%	567
NET INCREASE/ (DECREASE) IN CASH HELD	1 080	(9 407)	(8 327)	1 179	9 507	-14.2%	109.2%	(6 161)
Cash/cash equivalents at the year begin:	4 655	7 282	11 937	11 937	–	100.0%	256.4%	18 098
Cash/cash equivalents at the year end:	5 735	(2 125)	3 610	13 116	7 129	363.4%	228.7%	11 937